Book Review

Going Around in Circles? A Review Essay of *Reimagining Nonprofits: Sector Theory in the Twenty-First Century*, edited by **Ewa Witesman and Curtis Child**, Cambridge University Press, 2024

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Tempted, as I was, by the promising and ambitious title "*Reimagining Nonprofits*" to read through 21 chapters, I came to wonder, after having arrived at the last of its 425 pages, if this volume of learned essays perhaps unknowingly sends us back to where nonprofit studies started. Rather than systematically pointing the way forward to a new and much needed research agenda, we are in the end revisiting some long-standing research questions for which we mostly have answers. Having engaged with the volume and struggled through sometimes dense prose, I am not sure what is new and innovative about how the editors propose to reimagine nonprofits.

This is a harsh overall criticism, even though some of the contributions in the volume are indeed excellent, as I will point out below. And I hasten to add that the editors are off to a promising start, for they open with challenging statements: in the introductory chapter entitled "An Invitation to Rethink the Nonprofit Sector," Ewa Witesman and Curtis Child posit that despite the immense volume of scholarship witnessed in the field of nonprofit studies in recent decades, "we fear that, in an effort to shine light on the varied aspects of social life shared by the nonprofit sector, the field of nonprofit studies has collectively turned its attention away from the basic, existential questions that once animated nonprofit scholarship …" and that "thinking deeply about the *what* and *why* of the nonprofit sector has grown stagnant" (page 2).

These are daring and even necessary assertions that will undoubtedly find a welcoming reception among scholars in the nonprofit field eagerly awaiting some groundbreaking new approaches and significant advancements of existing theories. For the editors, the evaluation of nonprofit sector theory is needed because of new "realities" have presumably emerged: "the blurring of sector distinctions, the ascendency of hybrid forms, increased globalization, and questions about the sector as a defining characteristic of the organized world" (page 5).

One could, of course, argue that these are not new scholarly concerns but issues that have accompanied the nonprofit studies for decades: sector lines have always

been blurred (for example, marketization has been a hotly debated issue since the early 1990s[1]); hybrid forms have always been there and have been key to the emergence of nonprofits in many countries (recall that hybridity has long been a major message of the social economy approach[2]); globalization is no longer new and has been a topic of researchers in the field for decades (for example, the *Global Civil Society* series at the London School of Economics from 2001 to 2011);[3] and the characteristics of the sector have been debated for long (for example, at great depth in the initial phase 1990–94 of the Johns Hopkins Comparative Nonprofit Sector Project).[4]

In any case, the premise of the present volume is that addressing basic, deep questions about the *what* and the *why* would produce a new generation of nonprofit sector theory, understood as "statements that help us account for voluntary, prosocial, and organized action" (page 6). On page 7, they add that such "action is not aimed at generating profits," and specify, somewhat perplexingly, that individuals engaging in "philanthropic (or other action)" fall outside their theoretical compass. They continue to posit that "nonprofit sector theory deals with nonprofit action, whereby the term 'nonprofit' is used in the broadest sense to encompass the range of nonstate, nonbusiness actors and actions, both formal and informal" (page 7).

Alas, it is a definition that could only benefit from further reflection. Is the broadest range of action such defined the *what*? And is the specification of the *what's* existence, the *why*? What is more, the definition cries out for further elaboration of the components that make up nonprofit action. For example, what is prosocial? Is nonprofit action necessarily prosocial? Is that very term not contested? Moreover, don't nonprofits generate profits? What happened to the non-distribution constraint as a defining characteristic? And then, why could voluntary, prosocial and organized action not be part of what state and business actors might also do? And why is individual philanthropy left out?

Instead of justifying the definition of nonprofit action and offering examples of how the chapters in this volume used and operationalized it, the following paragraph refers the reader to some prior attempts at defining nonprofits and nonprofit sectors, albeit without engaging them in any systematic way. What amounts to a wholesale dismissal of prior work on definition, seems justified to the authors for two reasons: first, they argue that "what it means to be nonprofit is fluid;" and second, they "want to

1 Smith, R. S. and M. Lipsky (1995). *Nonprofits for Hire the Welfare State in the Age of Contracting*, Harvard Universit Press.

2 Gidron B., Hasenfeld Y. (2012). *Social enterprises: An organizational perspective*. Basigstoke, UK: Palgrave Macmillan.

3 Helmut K. Anheier, Marlies Glasius and Mary Kaldor (eds.). *Global Civil Society 2001*. Oxford: Oxford University Press, 2001.

4 Lester M. Salamon and Helmut K. Anheier (eds.). *Defining the Nonprofit Sector: A Cross-National Analysis*. Manchester: Manchester University Press, 1997.

give our contributors as much flexibility as they need to develop their own ideas …" (page 7).

Four aspects are worth noting here: first, in both the introductory chapter and throughout, including the Conclusions, there is a profound and troubling confusion as to what unit of analysis we are dealing with: is it sector, organizations or actions? For each unit of analysis is different in terms of respective definitions and classifications. They also differ in their theoretical focus: a theory that seeks to explain the existence of a nonprofit *sector* is not the same as one that aims to explain the existence of nonprofit *organizations* or, for that matter, voluntary, prosocial and organized *action*, whether formal, informal, organizational, collective or individual.

Second, as any theory building starts with clear definition of the explanandum, i.e. what is to be explained, is it prudent to brush aside previous attempts at defining and classifying *en masse* via some ceremonial citations? Would it not be better to show their strengths and weaknesses in capturing the new realities they envision (see above), and by pointing to ways of enhancing theory building, invite the following chapters to address them for advancing theoretical understanding?

Third, a parallel task to definition is classification, i.e. the composition of a phenomenon so defined according to a set of criteria. The field of nonprofit studies knows several classifications systems such at the NTEE[5] and the ICNPO.[6] They are critical for both empirical analysis and theory building. Why is the essential task of classification not mentioned when asking for a reimagining of nonprofits? Would, for example, the issue of hybridity not require revisiting existing classifications to assess their strengths and weaknesses in view of the allegedly new realities?

Fourth, leaving definitional and classification aspects so wide open is a risky strategy. It invites a terminological cacophony of disciplinary approaches and concepts as well as a diversity of uses to existing literatures and fields that would require a strong editorial hand and an even more significant scholarly investment to bring the numerous insights, proposals and ideas together in some form of overall assessment as to the *what* and the *why*. As one learns after over 400 pages when reading the concluding chapter, the risky strategy taken by the editors did not pay off, and we end up where we started decades ago, as I will suggest below.

However, let's stay with the *what* and *why* for now. I take *what* to mean the various manifestations of the nonprofit sector and implicitly, nonprofit organizations and actions. Ultimately, it is about definitions, units of analysis, and, as mentioned, classification, i.e. the fields or types of activities that in their totality constitute some

5 https://urbaninstitute.github.io/nccs-legacy/ntee/ntee-history.html

6 https://unstats.un.org/unsd/classifications/Family/Detail/2008

nonprofit sector. The *why* clearly follows, but it is muddled because we are not clear throughout the volume what unit of analysis or agency we are dealing with.

What seems frustrating about the *what* and the *why* is that these two questions seem to fall back behind the research agenda stemming from the Program on Nonprofit Organizations at Yale that informed the foundational period of nonprofit theorizing and provided a research agenda from the 1980s to the 2010s.[7] In addition to the *what* (definition of the explanandum), the *why* (origins), the agenda included the *how* (behavior) and the *so what* (impact). That agenda was also explicit about the unit of analysis, and posited that these questions could be proposed at three main levels of aggregation: the organizational form (institutional choice), the field or industry (composition by form) and the national level (scale, structure and embeddedness of the nonprofit sector).

That agenda has been successfully implemented, and many questions have been answered. Unfortunately, the volume neither addresses that agenda explicitly nor do we learn systematically where its strengths and weaknesses are in continuing to produce theories and what questions might emerge from such an assessment. (There are exceptions to this neglect, most positively so, Chapter 7 by Richard Steinberg, Eleanor Brown and Liza L. Taylor on how the three failures theories (market failure, government failure, and voluntary failure) could be expanded by including the family and government.).

To be clear, the 1980s Yale agenda, if I may use that term, has exhausted itself. It has largely been answered, and while some questions remain, mostly about impact, many new issues have come up since. These include the migration of nonprofits to other organization forms, form substitutability, social entrepreneurship (which the volume acknowledges), public-private partnerships, social investments, but critically also historical (e.g. how the sector became a sector in the US) and comparative perspectives (variations across forms and countries).

While the Yale agenda produced most of the theories that are now part of the canon, it was also limited and limiting in the sense that it was ultimately organizational, focusing on organizations more than on institutions (e.g. philanthropy, charity, voluntarism) and individuals (giving behavior, social participation, volunteering, civil action). These non-organizational aspects were picked up by others, and some are included in Child's overview of nonprofit sector theories which he offers in Chapter 2.

Child's chapter briefly presents the historical context of how nonprofit studies came about. This is useful for a volume such as this, even though the story has been

7 See among others: Walter Powell (ed.). *The Nonprofit Sector: A Research Handbook*. New Haven, CT: Yale University Press; Paul DiMaggio and Helmut K. Anheier. "A Sociological Conceptualization of the Non-Profit Organizations and Sectors." *Annual Review of Sociology* 16, pp. 137–59, 1990.

told before and in more reflective and critical ways. We should recall Peter Hall's emphasis on the decidedly political motives that led to the invention of the term nonprofit sector.[8] One could add other normatively charged terms like civil society, which in the 1990s became used almost as a synonym of the nonprofit sector. In any case, given that the purpose of the volume is to reimagine nonprofits, it would have been important to explore if the term nonprofit sector is so politically neutral today as not to warrant deeper reflection on what it means for 21st century theories.

Then the chapter turns to its actual purpose, introducing the main theories, of which Child selects ten as they make up "the canon of sector theory" or the "prevailing wisdom" (page 34). These are the market, contract, government and voluntary failure theories, entrepreneurship theory, the interdependence theory, the social origins theory, and three approaches that emphasize the commons, mediating structures and associationism.

While the descriptions are useful for the uninitiated, they are also found in standard textbooks. It would have been important, given the aspiration of this volume, to go beyond a summary of each theory by pointing out the rivalry and complementary among the various approaches for future theorizing, and, even more importantly, by bringing in summaries of the criticisms, debates and developments after a theory has been proposed. For example, *Voluntas* published an entire special issue on the state of economic theories of nonprofit organizations, and a section with contributions critiquing the social origins theory. So, the theories and those proposing them are in dialogue, and theories continued to develop over time in response to criticisms and research findings.

If one makes the charge that deep theoretical thinking about nonprofits has become stagnant, as the editors do, would it not have been more strategic to present the current state of the art of sector theories rather than repeating the original proposals? Could a section or chapter summarizing debates and developments after a theory was first introduced not have helped prepare the ground better for reimagining nonprofits? For example, an important development of the market failure theory is Avner Ben-Ner's stakeholder theory, which also offers bridges to the social economy approach.[9] Why is that theory not even acknowledged, and why are we treated with original formulations only and without subsequent developments?

In fact, the next two chapters would have provided the perfect justification for such a prospective chapter. First, Megan Lepere-Schloop and Rebecca Nesbit offer a

8 Peter D. Hall. (2002) "Inventing the Nonprofit Sector" and Other Essays on Philanthropy, Voluntarism, and Nonprofit Organizations. Johns Hopkins University Press. See also footnote citing Hall's key argument on page 119.

9 Avner Ben-Ner and Benedetto Gui (1993). The Nonprofit Sector in the Mixed Economy. Ann Arbor. The University of Michigan Press.

bibliometric study to answer two questions: how has the use of the ten theories evolved over time; and, in what explanatory context are these theories used? The first question is the more critical one as their results (based on citations in *NVSQ*, *NML*, and *Voluntas*) show, on the aggregate, a general decline in the proportions of articles citing any of the 10 seminal theories from about 50 % in 2000 to 45 %, and the share of articles citing multiple from around 30 % to 25 % during the same period. The decline is largely due to drops in the market failure theory, the voluntary failure theory, and the interdependence theory. Surprisingly, some theories like government failure theory, the entrepreneurship theory and the commons and mediating structures approaches have rather low citations over time, with a share in the low single digits.

What makes for such trends and differences? The authors offer various reasons in their conclusion, including continued data limitations to allow for systematic testing. However, the latter has become less of a burden given greater availability of data, especially in the US thanks to the Urban Institute. In my view, two other reasons stand out: one is the actual testability of a theory, for example the market failure theory, which is based on a microeconomic model that makes it hard to operationalize let alone test; the other is more troubling and refers to a phenomenon called "ceremonial" citations, where authors make "passing references to a well-known theory without deeply engaging its concepts and arguments in a substantive way" (page 57). Could it be that reimagining nonprofits should start by re-engaging with existing theories in deep and systematic ways, and for journal editors to be more stringent in demanding such engagement by banning or at least questioning ceremonial citations?

The next chapter by Eva Witesman on "What makes good nonprofit sector theory" could be a steppingstone to just such a task. She argues on page 79 that a nonprofit sector theory should engage one or more of the following questions:

1. What is the nonprofit sector? – definition
2. What are the characteristic of the nonprofit sector? – description
3. Why does the nonprofit sector exist? – explanation
4. Why should be nonprofit sector exist? – prescription
5. What is the future of the nonprofit sector? – prediction
6. What is the value of the nonprofit sector? – evaluation

Now, given my concerns about units of analysis, and given that the ten theories are mostly about organizations or institutional spaces, not sectors, only question 3 and to some extent 6 are the tasks of sector theory proper. Recall that definition and description are preparatory steps to theory construction; and that prescription and prediction come in play once a theory is in place and can be applied.

She then expands the question of what makes a good theory by introducing the criteria of breadth (the range of relevant phenomena covered), depth (the level of detail in an explanation), and relevance (ability to provide salient answers). Next, she combines the questions above and with the three criteria to yield an evaluation matrix for nonprofit sector theories. Presumably, a good theory would have breadth, depth and relevance addressing at least on the questions, and taking on more questions would make it an even better one.

That is good thinking, yet once more, we come to a missing section or indeed chapter. Rather than applying the evaluation matrix systematically by putting all ten theories under such scrutiny, she writes: "We invite you, the reader, to apply these criteria and identify where nonprofit sector theory is strong, and where it is left wanting" (page 86). As a reader, I felt disappointed by not seeing at least some of the theories evaluated, even only to illustrate how her approach could help "open up new lines of thinking and inquiry, new insights …" (page 86).

Could it then be that the remaining chapters somehow achieve this and realize the promise the editors make at the beginning? These chapters are grouped into two parts. The first one, entitled "Reflections and Refinements," contains seven contributions, and a second, labeled "New Directions," nine. The reasoning behind this grouping is not made clear as there is no editor's introduction to either, and the reader also wonders why these chapters were included and not others. What are the rationales for their inclusion after the work laid out in part 1 of the volume?

The chapter by Ruth K. Hansen and Gregory R. Witkowski addresses the failures the three failure theories, questions their assumptions and brings in both critical theory and sociological approaches to advance what they call a cross-sector bias theory. This is a good, well-argued paper that adds value to our theoretical understanding. The same applies to the Steinberg et al.'s chapter, already mentioned, which deals with factors overlooked by the three failure theories. I would also add the contribution by George E. Mitchell and Jason Coupet who focus on the contract failure theory and point out its weaknesses and how the theory could be improved, and to Ewa Witesman's chapter on toll goods. Unfortunately, such direct engagement with any of the ten theories applies to only these papers.

By contrast, the chapter by Laurie Mook and John R. Whitman on the social economy perspective makes no explicit reference to any of the ten theories. By making a case for a sectoring different from the static three-sector models, they seem to address the *what* question while failing to relate to the rich European social economy literature which has grappled with the very same issues for decades. However, it features centrally in the very informative chapter by Meeyong Lamothe et al. about nonprofits as part of an engineered social economy.

In a very critical chapter, Ana Clarissa Rojas Durazo chooses not to address the ten theories but the notion of the shadow state, state-marketization and social

movements. It is neither about the *what* nor the *why* but a warning about what she calls the nonprofit industrial complex. Shariq Siddiqui's essay speaks to the *what* question when calling for a greater inclusion of Muslim and non-Western perspectives. This is certainly to be applauded, and engaging the social origins theory, which has been applied to many non-western countries, would have even lend more weight to his call. Elzabeth A. Castillo in "Sector theories should borrow from epistemologies" takes on the field of nonprofit studies as a whole and invites it to open to "distant disciplines" (page 216), namely the life-system and non-life system hard sciences. It is a well written chapter with many useful hints to how insights from the natural sciences could enrich nonprofit studies.

Her essay concludes the "Reflections and Refinements" part, and "New Directions" presents a divers set of chapters none of which directly and systematically addresses the *what* and *why* question, or the ten theories for that matter. This is not to say that they are generally weakly argued or badly written. They are in fact quite informative – not in terms of the promised new directions, but by highlighting specific aspects. The problem is that such essays can be found in any issue of *Voluntas* or *NVSQ*, leading one to question the overall editorial coherence of the entire volume.

Here is a list: nonprofits as organizational actors, the question of representation in American democracy and the role of nonprofits, nonprofits and African development, nonprofits and the social economy, state-controlled nonprofits, nonprofits and authoritarian regime stability, nonprofits in transformative and social change, and nonprofits as agents of moral authority.

So, after 409 pages, we finally arrive at the "Conclusions" offered by the editors. We are reminded in somewhat emphatic tones that "the innovative study of the nonprofit sector has slowed despite the need for imaginative, galvanizing efforts in society that have the hope of solving some of the greatest threats and challenges we have ever faced" (page 413). When it comes to bringing in the fruit of the intellectual labor presented in the volume, the editors state that "…the question of the *what* is largely answered by providing the role of the nonprofit and its definition. In other words, our contributors either defined or described the nonprofit sector or some phenomenon deeply relevant to the sector" (page 416). And they continue to the *why* question, which "is largely answered with rationales for the nonprofit sector or for new constructs to replace the sector or sector theory …" (page 416). But have they really? What does "deeply relevant mean" on what grounds, and what do they mean be replacing the sector or sector theory?

Here, we have not only come full circle with where we started, we also moved backwards in letting go of a coordinated research agenda that proposes questions in a systematic way. Reading the opening section of the Conclusions leaves the reader with an 'anything goes' feeling and confused by the imprecise, convoluted language of the conclusion just cited. Here, one misses the strong intellectual hand that brings

the various strands included in the volume together in more precise and indeed testable and debatable propositions than the fuzzy formulations cited in the previous paragraph as to answers found to the *what* and the *why*.

Instead, the Conclusions proceed with suggesting overarching themes and tensions that emerge from the various contributions in the volume. The first is the need for an international perspective; a greater focus on the dark side of nonprofits; to look at nonprofit-state relations; to focus on nonprofit-market relations; to assess needs and demand considerations, and to investigate the role of values. I am not convinced that these were indeed overarching themes as, for example, the dark matter issue came up rarely, and international perspectives certainly do not feature in any systematic way. More critically, as a reader, I am left wondering as to what is new or innovative about this list, as there are rich literatures about each of these presumably overarching themes. One gets the feeling that the authors seek commonalities, and find them somehow, yet fail to realize their bread-and-butter nature in the field of nonprofit studies.

Perhaps the culminating section entitled "Big questions for nonprofit sector theory" offers the added value one hopes to expect given the stated ambitions of the present volume? Indeed, the authors offer eleven big questions, and without going into any detail here, it may suffice to state that these are neither new nor surprising but have been staple fare for researchers that care about theories and comparative analysis of nonprofis for decades. For example, "What is the nature of the relationship of the nonprofit sector to the state in a diverse, global context?" (page 420) or "What problems does the nonprofit sector exist to solve?" (page 421). The questions are not connected to the ten theories and the proposals made by the various authors of the volume.

The eleven question are a frustrating list for any serious scholar of matters nonprofit. Do existing theories not already address some of them specifically? Do we not have research providing profound insights and theories, for example to question 11, which asks "What is the relationship of the nonprofit sector to faith, belief, the expression of values, and organized religion?" (page 422)?

Unfortunately, the volume ultimately disappoints, not only in its conclusions but also in revealing a weak editorial hand and a lack of intellectual rigor in meeting the ambitions expressed at the beginning. Despite some good individual contributions, it does not present the step forward promised to readers.

Finally, I should reveal that I have been thinking about some of the same set of issues as the editors have in the present volume. I did so mostly from the perspective of cross-national comparative research on nonprofits, and perhaps in less ambitious ways: how can we re-energize theory-building in the field, and what could a future

research agenda look like? The suggestions for such an agenda, based on a keynote address at ISTR's International Conference in Montreal, July 2022, were published in *Voluntas*.[10] Without going into details, it identified major shortcomings of current research that impede on theory development and proposed several ways forward.

Which is a better way forward? The approach to advance theory as suggested in the volume under review or the more stringent, focused research agenda proposed in my *Voluntas* article? Current and future researchers will ultimately provide the answer. Perhaps both are needed.

10 Anheier, H.K. (2023). "Comparative Research on Nonprofit Organizations and Sectors: Looking back and Looking Forward." *Voluntas* (2023) 34:1115–1121. https://doi.org/10.1007/s11266-023-00608-5