Analytic Note #4:

Volunteerism and the Voluntary Sector as a Force for Change

MHM:

April 2011

While politics and government on one hand, and markets on the other are generally seen as the dominant sectors in liberal democratic societies like the US, a “third sector” also exists in society that can be the locus of important change itself, or a force that influences change through government and the market. This third sector is often called the voluntary sector.

It (allegedly) differs from the public sector (politics and government) in that it does not rely on the coercive power of the state to raise resources or achieve its goals. It relies instead primarily on the *voluntary* actions of individuals to contribute their own attention, time, and money to provide the resources that fuel the operations of the sector.

 It (allegedly) differs from the private sector in that the aims of the sector are not to satisfy individual material wants of producers and consumers, but to contribute to the production of public goods and services, or to otherwise make material changes in society that are thought to make individual and collective life better, perhaps particularly for those who are materially disadvantaged and/or socially or politically oppressed. (Nota Bene: The voluntary sector also includes many mutual benefit organizations in which individuals combine together to produce benefits for other members of the organization, but not necessarily for the wider public.)

The voluntary sector is created in liberal society by public policies that protect rights to voluntary association, to free speech, and to spend one’s resources as one wishes. These rights create a legal space within which the institutions of the voluntary sector can arise. Public policies also encourage the creation of such organizations by recognizing some distinct legal forms of organizations and by giving them and those who contribute to them some tax benefits. Public policies also take advantage of such organizations by enabling the government to provide grants to or contract with such organizations to achieve public purposes.

For many purposes it is useful to think about the voluntary sector as both a source of resources for public purposes on one hand, and as a source of productive capacity on the other. If we imagine that one of the things that individuals would like to do in their lives is to voluntary contribute to the welfare of other individuals, we can also see the voluntary sector as a place where these desires to be together, and to contribute can be expressed and satisfied for one’s own satisfaction as well as the welfare of others. When we think about the voluntary sector as a source of money and other material assets, we imagine individuals making donations of money, time, and other material assets to more or less altruistic and more or less public causes. When we think about the voluntary sector as a source of productive capacity, we think about organizations that have been built to pursue public purposes, and that keep themselves alive and functioning partly through the publicly spirited motives of their founders, partly through charitable contributions of money and labor at the board and employee level, partly through public subsidies and funding, and partly through fees for service.

Of course, much of the charitable giving is organized by the producing organizations. It is they who ask for financial contributions, or volunteer assistance, or other material assets; and the individuals who contribute directly to the producing organizations. But some charitable giving is organized by intermediaries such as community chest, or community foundations, or even for-profit financial institutions that set up charitable funds for their investors. And some charitable giving is organized in large foundations set up by individual philanthropists of substantial means. These social processes that mobilize and channel money, time, and other material can be seen as a kind of “capital market” for “social ventures.” But they can also be seen as a kind of service provided to individuals who want to find good social uses for their money, and would like such efforts to be both easy and effective.

The voluntary sector can be seen as playing many different roles in a liberal society, including all of the following:

1. the voluntary sector can be seen as a way for individuals who are dissatisfied with the character and impact of current government operations to act independently to solve what they see as government’s failures to produce a good and just society as they see it;
2. the voluntary sector can be used as a place for innovation and experimentation to take place in the social sphere
3. the voluntary sector can be used as a place to organize social and political movements that can act to transform social conditions directly through their influence on the population as a whole, or more indirectly by bringing social and political pressure to bear on both private sector firms and public policies and organizations.

While the voluntary sector is relatively small compared to government and the market, it may play a disproportionate role in producing social change, for it is often within the voluntary sector that the seeds of sectoral change are sown. They are sown when an individual or organization is seized with an idea about how things might be improved, and mobilizes their own assets to show operationally what can be done. They are also sown when an individual or organization decides that the government should be doing something different than it currently is, and organizes politically to influence the government in their desired direction. They are even sown when someone in the voluntary sector develops a product or service that is commercially viable as well as socially valuable.

Of particular importance in the Ed Sector are philanthropy and volunteerism as potential sources of change. We will look at both of these potential forces for change.