Autonomous or Dependent: Isomorphic processes of the partnership between State and voluntary organizations

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Since ’80s, there were attempts in the western societies in pursuits of solutions due to the crisis of welfare states. The way out from the crisis was mainly identified by the privatization of public services and by the redefining the roles among State, Market and Third Sector (Salamon, 1995; Kuhnle and Selle 1992). Now a day, in many European countries Third Sector is financed by the State for providing public service and specially social services (Ascoli and Ranci, 2002). Nevertheless, this partnership isn’t a light without shadows. According to some scholars, changes in the economic features of Third Sector organizations have important negative impacts on its social basis. The economic dependency on public revenues tends to make Third Sector organizations more bureaucratic and in the worst situation the organization might lose its original mission and identity.

Based on mentioned scenario of the emergence of welfare mix in Italy (Ascoli and Pasquinelli, 1993), the aim of this research is to analyze how the Third Sector is changing. More precisely, this study focuses the relationship between voluntary organizations (a specific organizational form of the Third Sector organizations) and the State during 1997-2003. Voluntary organizations are, by law, public benefits institutions based mainly on voluntary works and with marginal commercial activities. Moreover, the period between 1997 and 2003, were very significant due to change of the Italian social protection system toward a welfare mix structure.

In the light of neo-institutionalism theory, the research question aims to verify how the increasing of the interconnection between public agencies and voluntary organizations is making the latter more similar to the former. In other words, the paper highlights also that how institutional isomorphic processes makes voluntary organizations more bureaucratic and structured. In the paper, the hypothesis is verified by using statistical techniques on a panel dataset of 6484 units surveyed by Italian Institute of Statistics’ census of voluntary organizations both in the 1997 and the 2003 (Istat 2000, Istat 2006).

Methodologically, at first step the organizations are clustered by the degree of dependence and collaboration with public sector in the period of time considered by this study. Subsequently, the hypothesis of equal bureaucratization between voluntary organizations with different levels of partnership with public institutions is verified using non parametric tests. Finally, the study analyzes also the main factors, which can make understandable how the relationships between public sector and voluntary organizations are structured.

At the theoretical level, empirical findings partially deny Powell and DiMaggio’s theory of isomorphic change (Powell DiMaggio, 1993). Between the particular year 1997 and year 2003, only voluntary organizations were more connected with public agencies, which have experienced an increase of the level of bureaucratization. Therefore, the empirical findings of this study shows a growth of heterogeneity instead of homogeneity between voluntary organizations (Scott and Meyer, 1991). Moreover, against the metaphor of Healthy Organizations, Unhealthy Communities (Backman and Rathgeb, 2000), the study reveals also if the voluntary organizations are more dependent from public sector then the voluntary organizations are bigger in term of voluntary workers.

The level of collaboration between voluntary organizations and public institutions depends on several factors: mainly the characteristics of the organizational environment, because
environments with stronger institutional pressure (i.e., social service and health sectors) tend to promote the partnership between voluntary organizations and public institutions. Secondly, when the resources (in terms of volunteers and revenues) of the environment are plenty and not concentrated, it's easier for a voluntary organization to sustain without a consistent economic support from the public sector. Finally, this study also reveals that the second level organizations (i.e. federation) have an enormous role in intermediating between voluntary organizations and public institutions.

References


