The Meaning Of Nonprofit Advocacy: An Ordonomic Perspective

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There is a broad consensus in the field of nonprofit studies that the diverse activities of nonprofit organizations are usefully categorized into service delivery and advocacy functions. The service delivery function has been of central concern to the orthodox economic theories of nonprofit organizations. However, in emphasizing the market failure-addressing role of these organizations, the orthodox economic literature has paid little attention their advocacy function. It seems fair to say that economists have almost entirely outsourced the study of nonprofit advocacy to sociologists and political scientists. This state of literature signals an deficit in the application of the institutional economics theorizing to the field of nonprofit studies. The objective of the present paper is to address this deficit by utilizing the ordonomic research program, a recently developed strand of institutional economics that is centrally focused on examining the interdependence between institutions and ideas, or social structure and semantics (Pies et al., 2012; Hielscher et al., 2012). Inspired by Niklas Luhmann’s (1980) theory of discrepancies between social structure and semantics, the ordonomic research program locates the main mechanism of societal problem-solving in implementing institutional and ideational innovations that help to overcome dysfunctional discrepancies of this kind. The present paper introduces the key ideas of the ordonomic research program and explains the way in which this program enriches the institutional economics understanding of the service delivery and advocacy functions of nonprofit organizations.

The ordonomic approach distinguishes between three levels of social interaction as shown: the subconstitutional level referring e.g. to the everyday interaction of consumers and producers in the market; the constitutional level, or the level of rules; and the level of public discourse. Distinguishing between these levels allows to detect discrepancies between them. The basic discrepancy is between the level of discourse and the level of rule-setting (or in Luhmann’s terms, between social structure and semantics). At the subconstitutional level, this discrepancy takes the form of social dilemmas, whose definitional feature is the concurrence of common and conflicting interests of the parties involved. Resolving social dilemmas is the main object of the institutional adjustment, which may occur along the directly or indirect pathway. The direct pathway means effecting institutional reforms by bringing social structure and semantics into congruity. Predictably, the difficulties of the direct pathway result in its failure to immediately alleviate human suffering following from particular social dilemmas. Alleviating this suffering is the main rationale of the compensatory pathway which, in the ordonomic terminology, involves correcting the outcomes of the subconstitutional level without affecting the constitutional level. According to the ordonomic approach, the advocacy activities of nonprofit organizations present a step along the direct pathway to institutional adjustment. In their advocacy roles, nonprofit organizations advance and disseminate their visions of social progress. These ideas may be concerned with the adjustment of institutions, the adjustment of semantic categories, or both. The service delivery activities of nonprofit organizations must be seen as a contribution to the compensatory pathway to institutional adjustment. This pathway is essential in view of the fact that social structure and semantics may take time to change. As long as this change is not feasible, human suffering resulting from persisting social dilemmas may be alleviated through the delivery of services to vulnerable stakeholders. An important implication of the ordonomic perspective is that, while advocacy and service delivery are both crucial, the former is more radical as it seeks to change institutions which give rise to human suffering, rather than to merely alleviate it. This implication sharply contrasts with the traditional market failure approaches which do not recognize the significance of advocacy and thus are unconcerned with it.

To sum up: from the ordonomic perspective, the evolution of modern society occurs through an ongoing realignment between social structure and semantics. The meaning of nonprofit advocacy is shown to be in contributing to this realignment. The ordonomic approach accordingly locates the most important and distinctive, function of the nonprofit sector in its capacity to stimulate ideational innovation and social reform. Nonprofit organizations emerge as facilitators of social learning and agents of social change. This is the ordonomic interpretation of the meaning of
nonprofit advocacy. The service delivery function of nonprofit organizations has a compensatory character in the sense that it is intended to maintain a reasonable quality of human life before the time-consuming adjustments of semantics and social structure can be introduced.

References

