

# *Nonprofit Policy Forum*

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## Editor's Note

**Dennis R. Young**, *Georgia State University*

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# Editor's Note

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## **Abstract**

Our second issue clearly illuminates the international and far ranging scope of nonprofit-related policy issues worldwide. Topics include, micro finance associations in developing countries, recent trends in nonprofit-government relations, an examination of Policy Research Organizations, tax exemption for nonprofit hospitals, and corporate law's role in stimulating the growth of the nonprofit sector.

Manuscript traffic is picking up for *Nonprofit Policy Forum*, revealing a growing interest among scholars at the interface of public policy and the nonprofit sector. Certainly current events reinforce the importance of scholarly attention to this field. In the U.S., for example, austerity is taking hold in government at every level, putting great pressure on relations between government and nonprofits that depend on public funding to carry out their social missions, and stimulating nonprofit advocacy work on behalf of aggrieved and energized groups. Similar developments are taking hold in the U.K. and elsewhere in the developed world. Meanwhile, the Arab spring has brought new attention to the role of civil society in moving Egypt, Tunisia and other countries in the Middle East toward more democratic governance.

The present issue, while mostly featuring American authors, clearly illuminates the international and far ranging scope of nonprofit-related policy issues worldwide. To begin, Kristen Hudak writes about the development of Micro Finance Associations in developing countries, giving specific attention to Nepal and Sri Lanka. These national associations of Micro Finance Institutions perform a wide range of services for their members, and while they do represent the self-interests of their members vis-a-vis government, they also constitute a potentially important infrastructure for regulatory oversight and advocacy for economic development in their countries.

Our second paper by John Casey considers recent trends in nonprofit-government relations in the United States, citing a wave of new developments designed to stimulate sector-wide cooperation between nonprofits and government at every level. These developments include the *Nonprofit Sector and Community Solutions Act* and the *Forward Together Declaration* at the federal level and the *Arizona Nonprofit Agenda* and the *New York Mayor's Nonprofit Initiative* at the state and municipal levels. Quests for greater coordination, effectiveness and efficiency and a desire to mitigate the tensions between government and nonprofits, motivate these proposals. Casey asks whether or not these initiatives are harbingers for the future, or whether they will go the way of past attempts to develop a more comprehensive framework for nonprofit-government relations. This is an interesting question in light of the current environment of austerity and the increasingly harsh political environment. The pressures for better use of scarce public resources has never been greater but more extreme circumstances may as likely drive nonprofits and government apart as induce them to collaborate more fully.

Our third article, by Raymond Struyk and Samuel Haddaway examines a diverse group of nonprofit organizations called Policy Research Organizations (PROs), such as advocacy research organizations and think tanks, and how they work in developing countries. These authors define success in five different ways in terms of their impacts and roles in the policy process; they find through a survey of 34 organizations in 19 countries that the success of these organizations varies along different dimensions of performance. For example, PROs get generally good marks for producing useful information, analysis, and recommendations but more tepid ratings for their impact on policy, such as in budgeting and accountability. But these results also vary with the type of PRO. For example, advocacy oriented PROs appear to be more successful than research-oriented PROs in terms of their impact on a country's budgeting process. In all, the authors' results suggest that a PRO's success in the policy process is sensitive to its particular strategy, focus and context.

In our fourth article, Tammy Waymire and Douglas Christensen study the tax exemption for nonprofit hospitals in the United States. These authors are concerned with whether the community benefits provided by nonprofit hospitals are commensurate with the tax benefits they receive. They find wide discrepancies among hospitals in the provision of discernible community benefits and suggest more precise definition and measurement of those benefits and a regime of disclosure and transparency in order to ensure that tax exemption policy fulfills its objectives.

Our last regular article, by Woods Bowman, makes the case for the importance of corporate law in stimulating the growth of the nonprofit sector in the United States and boldly argues that lack of a uniform corporate legal framework has inhibited the growth of the sector in Europe – grounds for an intercontinental debate to say the least!

We round out this issue with two stimulating features. First, Michael Meyer offers a review of Michael Edwards's slim but powerful book, *Small Change* - an important essay on the limits of "philanthrocapitalism" and the role of business in bringing about social change. Second, we provide a summary of a special conference convened by ARNOVA (the Association for Research on Nonprofit Organizations and Voluntary Action) and the Bill and Melinda Gates Foundation to frame a research agenda on public policy and the nonprofit sector in the United States. While that conference was specific to U.S. policies, the international reader will find many familiar issues, concerns and insights that may inform policy discussion in other parts of the world as well.

Finally, I would like to acknowledge the John and Mary Franklin Foundation for its recent gift in support of *Nonprofit Policy Forum*. Such contributions are extremely important in the early stages of a venture such as this,

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certainly until this labor of love can establish itself as a sustainable economic enterprise.

We hope you enjoy this issue and will join us in expanding the discussion of the important insights and concerns addressed by our authors.

Dennis R. Young  
Editor