Cooperation, Coordination, and Control in the Voluntary Human Services
A New Perspective on Market Developments in the American Nonprofit Sector

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Abstract: This paper critiques the claim that neoliberal policies induced heightened competitiveness in the American nonprofit sector. Focusing on the human services subsector, the paper draws primarily on professional literature and administrative records reflecting competitive trends in interorganizational policy and practice. The evidence suggests three important conclusions: 1) human service professionals have long complained about competitiveness among welfare agencies; 2) substantial cooperation, when achieved, required an incentivized relinquishment of organizational autonomy, not simply altruistic network-building; 3) the influx of government funding for human services in the 1960s appears to have played an important role in moving the nonprofit human services toward market-oriented arrangements. The tendency until now among researchers studying market trends in the nonprofit sector has been to focus almost exclusively on policy changes associated with neoliberalism. This study's findings help to advance a more nuanced and historically informed understanding of nonprofit organizational behavior.

INTRODUCTION

Charities have long been viewed as tangible outcroppings of communal fellowship and concern (DiMaggio and Anheier 1990, 153). Accordingly, the rise of business-oriented practices in the nonprofit sector has triggered alarm over a utilitarian transformation of civil society, leading scholars to debate the extent and nature of several potentially problematic changes: reliance on fees for service instead of donations and grants (Child 2010); salaried management displacing amateur volunteers (Walker, McCarthy, and Baumgartner 2011); and mission drift induced by funding from corporations and government agencies (Chaves, Stephens, and Galaskiewicz 2004). This paper calls attention to an additional point of concern that has yet to be scrutinized despite its practical importance: the level and character of cooperative behavior among nonprofit organizations (NPOs) over time.

NPOs are typically considered more inclined toward "noncompetitive behavior" and "cooperative activities" than their for-profit counterparts are (Baum 1999, 552). However, despite frequent and concerted attempts by foundations and other major funders to maintain cooperative networks among their grantees, the goal often proves elusive (Irvin 2010, 83), fueling recent interest in better understanding interorganizational relations among charities (Ashley and Young 2014).[1] I contribute an historical analysis to this effort by evaluating the popular claim that cooperation has declined in recent decades because of a neoliberal policy environment compelling NPOs to be "business-like" (Maier, Meyer, and Steinbereithner 2014).

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[1] Two prominent examples of cooperation failing to take shape are the Robert Wood Johnson Foundation's "Fighting Back Program" and the Annenberg Institute's "Annenberg Challenge," both of which are cited as examples of high-profile philanthropic failure in Brest and Harvey's (2008) *Money Well Spent*, one of the definitive volumes on strategic philanthropy. In addition to falling short of their goals, these major undertakings shared the expectation that the local NPOs they supported would combine their efforts, but evaluations conducted of both programs describe the same outcome: widespread distrust and competition contributed to lackluster results (see pages 4-5). In addition to programmatic collaboration, Brest and Harvey discuss the difficulties of cooperative fundraising, quoting one professional as stating "If I stopped to count the number of failed efforts at funding collaboratively, I'd be so depressed, I'd leave the business" (89).

Without denying that such an environment has precipitated significant changes, I argue that recent scholarship's focus on neoliberalism has led to an historical myopia obscuring consequential trends and events preceding the 1980s.[2]

Focus and Layout of the Paper

Before continuing, one most acknowledge that the moniker "nonprofit" includes a panoply of organizations enjoying tax-exempt status while being only nominally nonprofit in the conventional charitable sense. Rather than cover this vast array of organizational categories, this paper focuses on the human services subsector, "a diverse group that includes local direct service providers such as soup kitchens, child care, and youth mentoring organizations, as well as large national organizations like the YMCA and YWCA, Boys & Girls Clubs of America, and the American Red Cross" (Boris et al. 2010, 3).[3] In addition to being the types of organizations most often expected to combine efforts in the interest of beneficiaries, nonprofit human service agencies are widely recognized as "the quintessential expression of the nation's benevolent spirit" (3). As such, they are particularly relevant to concerns about the state of voluntarism and altruism in a market society and are often the subject of discussion in literature on the nonprofit sector even when the more generic term "nonprofit" is used. Though I address arguments phrased in reference to NPOs in general, my scrutiny of these claims relates specifically to human service agencies and should not be extrapolated automatically to universities, museums, and other organizations outside of this subsector.

[2] Much debate surrounds the definition of neoliberalism as a political, economic, and cultural movement. Rather than attempt an exact theoretical specification of neoliberalism's content, this paper emphasizes its temporality as a phenomenon ascendant in the 1980s.

[3] Modern datasets on nonprofits rely on the National Taxonomy of Exempt Entities (NTEE) to categorize organizations by service area, with major group P applying to human services. However, this paper employs no such organization-level dataset and, moreover, deals with a time period preceding the NTEE's development. Instead of using the taxonomy, my analysis is based on documents and records from institutions identified with the nonprofit human services.

The remainder of the paper is organized as follows. I begin by contextualizing the claim of declining cooperation within broader streams of scholarship concerning the effects of commercial markets and neoliberalism on communitarian sentiment and NPO behavior. I also specify my theoretical treatment of cooperation and competitiveness. I then proceed to a two-pronged historical assessment of cooperative and competitive trends. The first component is a review of historical discourse and events demonstrating that cooperation in the voluntary human services has always been a difficult prospect and that thorough cooperation required a significant degree of centralized authority. The second part is a more focused archival analysis suggesting that increased public funding for human services beginning in the 1960s enabled greater agency independence and, as a result, competitive market dynamics. This evidence challenges the historical account prevalent in academic literature on the nonprofit sector, which associates government funding with reduced organizational autonomy and attributes increased competitiveness to budget cuts and other forms of neoliberal restructuring. The paper concludes by specifying implications for philanthropic practice and governmental policy involving human service provision in the United States.[4]

COOPERATION IN THE NONPROFIT SECTOR

Various critiques of market society cite the decline of altruism and cooperation as a negative consequence of expanding commercial markets in modern life. Traditionally associated with foundational Marxist writing on social atomization under industrial capitalism (e.g. Engels 1892, 24) and Progressive calls to salvage community in the face of *laissez-faire* (Price 1974),

[4] Though the direct context for this paper's historical and policy analysis is the United States, my findings are applicable to other settings. The lack of integration among private charities is a concern in other countries (e.g. Green 2014), and governments have a major role in funding human services throughout the world (see the extensive research produced under the auspices of the Comparative Nonprofit Sector Project at Johns Hopkins University).

the loss of communitarian vigor due to a prevailing market ethos has been a perennial intellectual concern (e.g. Hirsch 1976; Bellah et al. 1985). According to Zelizer (1988), this rather pessimistic view speaks to the idea of a "boundless market" undercutting "traditional forms of social responsibility and cooperation…" (621), while Fourcade and Healy (2007) describe a "commodified nightmare" in which, "instead of encouraging cooperation and altruism, [markets] make these impulses unintelligible or crowd out the motivation to engage in them" (291).

Counterpoised to this bleak portrayal of commercial activity, the popular perception of nonprofits is that, "at their best, [they] cultivate a cooperative culture rather than competitive relations…" (Rothschild and Stephenson 2009, 801). Because NPOs have long appeared as institutional touchstones for civic vitality, a less cooperative orientation in their operations may bode ill for the altruistic spirit touted by many as integral to the good society (Alexander 1987).

Theorizing Cooperative and Competitive Behavior

It is important to recognize that concerns about social cohesion reference a form of cooperation that is more affectively charged than joint action alone, which may be pursued by self-interested actors simply to achieve economies of scale. Normative assessments of cooperation refer not to such purely functional considerations but rather to a sense of shared obligation to a social mission.[5] Here I follow Ingram and Yue (2008) in highlighting the perceptual role in cooperative relations of "some other interest in common besides an interest in the same resources…summarized under the label 'shared identity'" (290). Perhaps the most straightforward criterion for identifying this solidary form of cooperation is the subordination of agency-specific interests to wider communal goals. An illustration appropriate for this study's

[5] Business partnerships between nonprofits and for-profits is often perceived as a sign of market-driven change in the nonprofit sector, which demonstrates the need for specifying that my intended understanding of cooperation is one that involves solidarity and commitment to cause rather than utilitarian cost-benefit analyses.

focus on the human services can be found in chapter fifteen—"Community Responsibilities and Relationships"—of the first Milford Conference Report, which declared social work a unified profession:

> We believe that the competent social case work agency should limit its intake, its activities and the geographic area within which it operates in whatever ways may be necessary in order to maintain sound standards of social case work practice and effective community relationships." (AASW 1929, 48)

In short, apprehension about the state of cooperation among NPOs (particularly in the human services subsector) pertains not to whether these organizations can identify complementary resource dependencies and transact accordingly, but to whether they work collaboratively toward a common mission of improving wellbeing motivated by a shared communal identity. To be clear, I am not claiming that a sense of shared identity necessarily leads to cooperative action; the argument is that normative assessments of cooperative behavior in the nonprofit sector relate to forms of resource-sharing and joint-planning motivated by altruistic rather than self-interested reasons.

In view of this understanding of cooperation, competitiveness is theorized here as *resistance to creating and promoting shared identity*. I should emphasize that I am not equating competitiveness to antagonistic behavior. Instead, in accordance with Powell's (1990) ideal typification of market relations as "…individually self-interested, noncooperative, unconstrained social interaction" (302), I interpret competitiveness as a tendency toward self-interested *insularity*, not other-oriented belligerence. Of course, such insularity may breed hostile rivalry, but the more relevant feature is that it decreases the likelihood of cooperative endeavors built on shared identity. To illustrate, Hansmann (1996) considers the scenario of a nonprofit managing its assets inefficiently. He notes that this organization may sell its assets and donate the proceeds to a more capable organization in need, but he concludes that such a donation is unlikely to happen, as "there is good reason to believe that the managers of nonprofit firms, like the managers of investor-owned firms, often have an inclination toward empire building" (251). Although this "inclination toward empire building" does not necessarily entail a desire to sabotage others, it does privilege agency-specific interests over resource-sharing and, therefore, qualifies as competitive behavior by my criteria.

Needless to say, competitive and cooperative behavior can coexist; indeed, the tension between the two is an important aspect of the analysis to come.[6]

Whither Cooperation?

The question, then, is whether this form of competitiveness has increased and, correspondingly, whether cooperation among NPOs has declined. The belief that it has is especially palpable in Bush's (1992) early warning about the preservation of a "nonprofit spirit." Bush argues that NPOs have traditionally stood "in stark contrast to the individualistic and competitive side of American society..." (394) and that "the present failure to cooperate that characterizes much nonprofit activity stems from the increasing demand that nonprofits must be run like businesses" (402). Likewise, Eikenberry and Kluver (2004) contend that the growing popularity of performance-based contracting "means that rather than building cooperative networks, nonprofit organizations are increasingly forced to compete with each other and with for-profit organizations" (137), a dynamic that "replace[s] a benevolent spirit with a mindset of competition" (136). More recently, Sanders and McClellan (2014) argue that the pressure to be business-like has forced traditional nonprofit "values such as altruism, voluntary action,

[6] Social workers urging interagency cooperation have long recognized that competitive behavior is, to some extent, an unavoidable reality. For example, considering the possibility of improving community service networks through organizational mergers, Trecker (1970) acknowledges that "…it is unrealistic to assume that any board will willingly preside at the liquidation of its 'empire,'" but he maintains that "sound community policy making is pushing agencies to justify their existence and to harness their energies more effectively with their cohorts" (183).

cooperation and social justice" into tension with "the economic and *competition*-centered values of for-profit work…" (70, emphasis added).

Other authors do not comment explicitly on whether cooperation has declined in recent decades but uphold the argument of increasingly competitive relationships.[7] For example, Barman (2002) notes that the explosion in the number of NPOs since the 1970s far exceeded the contemporaneous rate of growth in available funding, leading nonprofits to "assert their uniqueness and superiority over rivals" (p. 1192) in order to secure scarce resources. Of course, no one has suggested that competitiveness among NPOs is entirely new, but the claim does indicate a recent and significant move away from cooperation and/or intensification of competitive behavior in the nonprofit sector (e.g. Martin 2000, 63; De Vita and Twombly 2006, 263; Young, Salamon, and Grinsfelder 2012, 527).

Whether or not they explicitly posit the fragmentation of cooperative networks, claims of heightened competitiveness share an historical frame of reference emphasizing neoliberalism (e.g. Hasenfeld and Garrow 2012). Authors consistently attribute business-like behaviors in the nonprofit sector to performance-monitoring, managerialism, the entry of for-profit service providers, budget cuts, and other signatures of neoliberal policymaking, resulting in an "unchallenged, hegemonic view of neoliberalism [that] pervades the human services literature" (Gray et al. 2015, 370). While I do not claim that welfare retrenchment and other trappings of social policy in the 1980s are trivial historical developments, I do intend to temper this overblown notion of neoliberalism by presenting competitiveness in the voluntary human services more as an enduring historical tendency than as a recent institutional contagion.

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[7] Much of the literature on competition in the nonprofit sector speaks to the increased pressure to maximize survivability and performance while not necessarily exploring the implications for interorganizational relationships (e.g. Chetkovich and Frumkin 2003). Though these studies are certainly relevant to market trends in the nonprofit sector, the discussion in this paper is in more direct dialogue with arguments touching directly on competitiveness as relational behavior.

AN HISTORICAL OVERVIEW OF COOPERATIVE CHARITY

Charity Organization Societies, councils of social agencies, and State Boards of Charities emerged in the United States in the late 19th century as a response to the substantial growth of eleemosynary associations accompanying rapid industrialization and urbanization. Operating under the progressive mantra of "scientific charity" and its principles of bureaucratic efficiency, human service professionals established these coordinative philanthropic bodies to foster resource-sharing, administrative consolidation, and joint planning among otherwise isolated local charities.[8] Overlaying these institutions was an ethos inculcated through conferences, curricula, and copy that stressed the individual agency's role as "one administrative unit in a broader network of services, whose effectiveness depended upon a cooperative effort to raise standards, prevent duplication, and eliminate waste" (Lubove 1965, 181). Evidence of this cooperative ethos abounds. The motto of the New York Charity Organization Society was "United, an Army; Divided, a Mob." The newsletters of the Children's Bureau of Philadelphia and the Chicago Bureau of Charities were both titled *Co-operation*. Indeed, Frank Watson (1922) observed that "coöperation has been the watchword of the charity organization movement since the beginning" (128).[9] Despite the overwhelming emphasis on cooperation as a goal, however, proponents of scientific charity faced considerable difficulty in their attempts to eliminate overlap and fragmentation.

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[8] Charity Organization Societies, or Associated Charities, feature prominently in historical treatments of interagency coordination in charity at the turn of the 20th century; however, cooperation was a priority of the entire social service field. To illustrate, Robert Hunter (1902), a partisan of the settlement house movement (often portrayed as a philosophical foil to the Charity Organization Societies), argued that "there must be little or no conflict, no competition, no overlapping, no waste, in the enormous charitable activity of a great city" and noted that in Chicago "the settlements counted upon the Associated Charities to order the entire charitable machinery of that city" (78). Indeed, cooperation was a central component of Jane Addams's philosophy and vision for the settlement movement (Knight 2009, 72).

[9] Though "charity organization" is sometimes associated exclusively with the Charity Organization Societies (see previous footnote), I use the term in reference to early coordinative efforts in general. There is precedent for this semantic choice; the National Conference of Charities and Correction's committee on charity organization changed its name to the "committee on organization of charity" in 1897 in order to "broaden its scope to cover, as far as practicable, the entire field of the organization of charity" (Crozier 1897, 140).

The Challenge of Cooperation

Early social work literature references a particularly competitive beginning for the human services, contradicting the notion of a halcyon communitarian past. A notable example is Mary Richmond's *Social Diagnosis* (widely regarded as the first substantial social work textbook), which lays out an evolutionary account of interorganizational behavior among human service agencies. According to Richmond (1917), social work began with a "first or competitive stage" marked by "chaos," "absence of common understandings," and a mercenary self-interest especially among many institutions housing delinquent and dependent children (293). Likewise, Norton (1927) describes a "primitive" stage of social work involving a "spirit of rivalry" encouraging "the wasteful business of neighborly offense and defense" (342). Knowledge of social work's competitive beginnings persisted as late as the 1950s, with Kramer (1956) attributing competitiveness to "a host of rugged individualistic and isolationist survivals from an earlier period of social work" (58) and Lindenberg (1958) suggesting that "perhaps it is the heritage of our highly individualistic frontier philosophy that causes agencies to 'go it alone' without concern for duplication of effort and the confusion to client that results from unco-ordinated activity" (27).

While such attitudes may seem unusual for charitable agencies, it has long been understood that human service personnel often derive a profound sense of mission from their work and may develop a loyalty to their employing organizations that undermines cooperation with other agencies.[10] Historical proceedings of the National Conference of Charities and Correction feature numerous complaints about this tendency, as exemplified by the following statement from the director of the Indianapolis Charity Organization Society:

[10] "Agency-mindedness" is a term occasionally used in social work literature until the 1970s to describe competitiveness stemming from loyalty to one's agency (see, e.g., MacRae 1957, 187; Callahan 1973, 78).

> In the realm of benevolent effort every charity is *the* charity. Most special charities are doing a work which, to their promoters, is the cure of all social evils. I would say that the jealousies between charity societies exceed that of the members of church choirs, if it be possible. (Grout 1900, 252)

The absence of reliable and comprehensive data makes it difficult to arrive at any firm conclusions regarding the extent and intensity of competitiveness in the voluntary human services at the time. However, a review of policy discussions in trade journal articles and conference presentations from the turn of the 20th century supports the notion that private welfare agencies were frequently competitive. For example, one recurring topic in social work literature from the period is the question of whether coordinative institutions should provide material relief to the needy in addition to fostering cooperation among other service agencies. There was overwhelming agreement among scientific charity advocates that such organizations should maintain a "non-relief policy"; providing direct assistance was thought to incite jealousy among other service organizations and thus spoil cooperative effort (for a review of this subject see Watson 1922, 162).

An additional and especially suggestive topic of concern was public subsidization of charities. While scholars today often associate increased competitiveness in the nonprofit sector with budget cuts (e.g. Young 2010, 59), scientific charity advocates argued that government funding of private charities "prevents the growth of a unified system of public philanthropy" (Barbour et al. 1901, 129) and, more generally, stimulates "bitter strife" (Ancker 1888, 174) and "personal rivalry" (Dripps 1915, 469) among active and aspiring organizational directors.[11] To

[11] Early human service professionals appear to have been overwhelmingly opposed to public subsidies for private charities. Citing the abundance of published work on the subject at the time, Halbert (1912) observes that "the consensus of opinion among scientific charity workers is that no city that wishes to get the best results for its money will provide subsidies to private charities as a permanent policy" (180). It may be tempting to assume that detractors of the subsidy policy were opposed to government welfare spending in general; however, this does not appear to be the case. Indeed, several of these critics claim that the subsidy policy prevents "the creation and improvement of public institutions which are sadly needed in order to accomplish work which the private institutions refuse" (Superintendent of Charities 1899, 21; see also Fetter 1901, 371).

be clear, however, government funding should not be understood as a direct hindrance of early coordination efforts. According to historical complaints, the more proximate obstacles were individual desires for prestige, interpersonal jealousies, professional rivalries, and sectarian conflicts. Subsidies were seen as exacerbating rather than causing these problems:

> Many charitable institutions have been established less from brotherly love than from a quarrel in a board of managers in an older institution. This, together with the influence of individual ambitions, has led especially to the establishment of a great number of charities…, *and while public subsidies alone do not cause such a state of things, they help it*. (Warner 1894, 129, emphasis added)

Scientific charity workers did manage to achieve relative and incremental success in establishing cooperative systems; however, the overall pictures indicates that promoting cooperation was, as Mary Richmond (1901) put it, “a task so stupendous that only workers of large faith and tireless patience can succeed in it” (307). Furthermore, by the 1910s a growing number of critics had begun claiming that the non-binding collaboration characterizing much of organized charity at the time lacked “the machinery” to achieve a truly comprehensive system of community welfare organization and provision (Norton 1917, 507; see also, e.g., Edlund 1919, 720). Despite charity organization’s growth as a movement, there remained complaints that “coöperation is still in many places a phrase to conjure with, a paper plan, but not a habit of mind” (Watson 1922, 517). As this opinion grew more popular, debate ensued over whether to promote financial federation, a more bureaucratically intensive scheme of philanthropic coordination based on collective fundraising and budgeting reinforced contractually by a central authority.

In the 1920s financial federations “became an accepted part of the social welfare structure in many communities” (Heath and Dunham 1963, 23), coming to be known generally as “Community Chests” and later adopting the names “United Funds” or “Community Funds” before becoming today's United Ways. Though their growth slowed during the depression of the 1930s, the mass philanthropic mobilization accompanying World War II established the Community Chest as the dominant fundraising and coordinating institution in the voluntary human services (figure 1). The extent of the Chest's influence can be glimpsed in revenue figures released by two historical mainstays of the nonprofit human services: the Child Welfare League of America (CWLA) and the Family Service Association of America (FSAA).[12] In 1960, CWLA-affiliated voluntary agencies received nearly a third of their total operating revenue from Chests (Shyne 1978, 14), while FSAA-affiliated voluntary agencies received about double that figure (FSAA 1965, 8).

[Figure 1 about here]

The Imperative of Control

A purely quantitative reading of the revenue data cited above underestimates the true influence of the Community Chest. In addition to noting the amount of money disbursed, it is important to understand that the money was allocated under the principle of "deficit-financing." Under the classic deficit-financing agreement, agencies affiliated with a Community Chest gave up a number of freedoms, including independent solicitation of charitable donations. Instead of fundraising individually, Chest-affiliated agencies combined their efforts into a single annual appeal to the community (mainly to local corporations and elite patrons). Money earned through this campaign was distributed to a given agency in the amount needed to cover the expected difference between its total operating expenses and its total operating revenue from fees and

[12] FSAA merged in 1998 with the National Association of Homes and Services to Children to form what is now known as the Alliance for Strong Families and Communities.

other non-donative sources.[13] Put more simply, the Chest balanced its members' operating budgets but "require[d] in return conformity to its budgetary regulations" (Sargent 1949, 137).

In addition to preventing individual fundraising, such regulations often included prohibitions on retaining surplus revenue, on initiating capital improvement projects without permission, and on including depreciation allowances in operating budgets (the Chest tended to maintain central reserves for repairs and replacements). The Chest also enjoyed wide latitude to monitor and revise individual agency budgets and to coordinate services provided by similar member organizations.[14] Thus, under the deficit-financing system, agencies receiving funds from the Community Chest were expected to limit their autonomy considerably, whether those funds amounted to forty percent or eighty percent of total income. Walker (1933) describes this arrangement quite accurately as "concerted action through financial control" (1186).

Because the budget-balancing allocation served as a monetary incentive for submitting to a centralized plan, deficit-financing was a critical ingredient in the Community Chest's intensive coordination of fundraising and service planning. Yet, to my knowledge, research in recent decades on the history of American philanthropy neglects this point. Consequently, one easily acquires the impression that the Community Chest was simply "a movement of cooperating with others in fundraising" (Zunz 2012, 52), as if such cooperation stemmed benignly from

[13] Exceptions generally applied to hospitals, from which services were purchased on a per-diem basis.
[14] The national umbrella organization representing Community Chests circulated a general-purpose budgeting manual in 1931, with revisions published in 1942, 1955, 1967, and 1975 (ACCC 1931; CCC 1942; UCFCA 1955; UCFCA 1967; UWA 1975). Though they cannot capture all of the variance among hundreds of local operations, these manuals are useful for getting a sense of common practices over time. Additionally, in 1940 the umbrella organization published results from a survey of Chest executives on common practices in budgeting and allocations ("Basic Principles in Chest Budget-Making" 1940). The data show widespread support for considerable authority on the part of the central fund to control member agency operations.

Tocquevillian “habits of the heart.” In reality, this cooperation required “the lure of the undesignated fund” (AAOC 1917, 204).[15]

Knowledge of the trade-off between operational independence and financial stability in Community Chest membership, as well as of the preceding record of dissatisfaction with cooperation in the voluntary human services, facilitates a more grounded historical perspective on voluntarism and altruism in American civil society. However, I am not claiming that the Community Chest should be dismissed as cooptation masquerading as cooperation. It is important to recognize that, despite its restrictions and hierarchical structure, the Community Chest was built on shared identity as the basis of cooperation in the solidary sense discussed previously in this paper. This sentiment is evident in, for example, the 1955 general purpose budgeting manual (see footnote 14) published by the national headquarters:

> The federated approach to financing is based on the premise that the whole can be greater than the sum of its parts. Federation requires a voluntary sharing of sovereignty, in which all parties concerned recognize that overall needs and objectives transcend the interests of any one organization. (UCFCA 1955, 8)

Given the role of pecuniary inducement and administrative centralization in financial federation, the above excerpt may appear disingenuous; however, to insist that “real” charitable cooperation requires an entirely selfless alacrity for teamwork among fully autonomous agents is to betray a pronounced social scientific naïveté. Indeed, it is practically an axiom in social psychology that “all exchange relations are ‘mixed-motive’ relations” involving both a “cooperative face” and a “competitive face” (Molm, Collett, and Schaefer 2007, 213). It should not be surprising that the demanding conditions of Chest membership required some

[15] I am not suggesting that recent historiography has been entirely naïve about the Community Chest. Scholars have paid ample attention to the movement’s history of elite, conservative leadership and coerced giving. Perhaps understandably, the administrative details of interorganizational coordination have been less interesting, but they are no less important.

appeasement of organizational self-interest in order to maintain a cooperative face among member agencies.

Regarding the element of centralized authority in the Community Chest, one must remember that classical organizational theory exists largely in light of the fact that cooperation entails an administrative process of coordinating decision-making and action: “Hence, cooperation will usually be ineffective—will not reach its goal, whatever the intentions of the participants—in the absence of coordination” (Simon 1947, 72). As Provan (1983) explains in his incisive theorization of federations, the coordination of numerous interlinked organizations without hierarchical oversight can be extremely daunting, often leading to a focal organization assuming certain network-wide managerial responsibilities. While basic dyadic cooperation can often persist without this orchestration, the diversity of both interests and tasks among a multitude of simultaneously collaborating entities tends to require the centralized control characterizing federations.

A fair assessment, then, is that the importance of incentives and hierarchy in the Community Chest rendered its version of cooperation not artificial but rather *contingent* on the ability to use the carrot of budget-balancing in order to exercise control over competitive inclinations and coordinative tasks among member organizations. Of course, this control did not eliminate conflict entirely; indeed, Chest executives themselves readily acknowledged that, as the director of the St. Paul operation put it, “welfare effort is not unacquainted with the competitive spirit and mutual throat-cutting is only slightly less prevalent there than it is in commercial matters” (Atwater 1940, 252).[16] Overall, though, the relative stability and, therefore, control involved in Chest membership appears to have kept conflict at a manageable level:

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[16] Several high-ranking professionals from Community Chests and Councils published social work administration textbooks that stress the need to cooperate but also recognize the reality of competitive relations. Street (1931), who

> [Competition] is only what the sociologist would expect, for the social agency once born must, like any organism, struggle for life in a world of struggle and competition. While the factor of competition is by no means eliminated through the establishing of the community chest, the chest tends usually to eliminate some of the more unpleasant aspects of this competition… ." (Todd 1932, 482)

THE IMPACT OF INCREASED PUBLIC WELFARE SPENDING

The preceding historical overview of cooperative endeavor in the nonprofit human services points to two major conclusions. First, the record shows that human service professionals have long complained about competitiveness among welfare agencies. Second, the intensive cooperation achieved under the Community Chest required an incentivized relinquishment of organizational autonomy, not simply altruistic network-building. I will now focus on the impact of elevated government spending on social welfare preceding neoliberal policy shocks.

As numerous scholars have documented, the American welfare state has pursued a "third-party government" strategy, by which the state funds a considerable portion of human service provision while delegating much of the service delivery to private providers (Salamon 1995, 33). As a result of this strategy, voluntary human service agencies saw significant increases in government funding beginning in the 1960s, as reflected again in revenue figures from the CWLA and FSAA (figures 2 and 3). While certainly unprecedented in magnitude, however, there was nothing categorically new in the American government's financial support of these

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directed the Washington, DC Community Chest, provides advice on how to deal with "the agency which does not wish to cooperate" (435). King (1938), who directed the Community Fund in Bridgeport, CT, comments on the problem of "excessive zeal" among agency boards: "When you have fought for years to promote a new and unpopular cause, you naturally become biased and perhaps jealous of other competitive movements" (18). It is also noteworthy that the Community Chest national headquarters published guidelines in 1951 on how to improve relations between central funds and constituent agencies. The publication recognizes that "some agencies complain of a 'power complex' on the part of their chests; some chests complain of a 'me-and-my-agency complex' on the part of some of their agencies" (CCCA 1951, 31).

agencies, as illustrated by previously discussed concerns regarding public subsidization of private charities.

[Figures 2 and 3 about here]

Given historical complaints about public subsidies upsetting interorganizational cooperation among charities, it is eminently plausible that Great Society funding had the same effect by undermining the Community Chest's model of cooperation through control.[17] It must be remembered that deficit-financing was a very imperfect economic mechanism for maintaining coordination, since it made serious demands on agency independence and was predicated on the Chest's standing as a dominant financial player capable of distributing funds, as one executive quipped, "in order to keep the agencies…'sullen but not mutinous'" (Becker 1969, 10). Because this was clearly a fragile arrangement, it would seem likely that, by creating vast new sources of funding, government intervention in the human services forced Community Chests to grant increased operational freedom to their constituent agencies.

In complete contrast, however, the dominant historical account in the literature on the nonprofit sector is that government's delegation of human service delivery to voluntary agencies *reduced* their autonomy by making them dependent on public funds (for a review see Anheier 2014, 440). The most cited title conveying this concern is Smith and Lipsky's (1993) *Nonprofits for Hire*, in which the authors claim that "nonprofit agencies have lost control over the central aspects of the way they provide services" (120). As I have shown, however, plenty of nonprofits in the human services (the subsector on which Smith and Lipsky also focus) did not have

[17] Past research recognizes that Great Society programs reduced the influence of the Community Chest (e.g. Brilliant 1990), but the scholarly record still attributes amplified competitiveness and declining cooperation in the nonprofit sector to policies of retrenchment and decentralization in the 1980s.

anywhere near full control over their methods of resource procurement and service planning. Moreover, a growing record of scholarship suggests that the transaction costs involved in government funding are either similar to or even lower than those associated with funding from private entities such as foundations (Kramer 1995; Stone, Hager, and Griffin 2001; Carman 2009). My historical overview throws this point into especially sharp relief, since the "strings attached" to support from private funders today generally pale in comparison to the extent of control exercised by the Community Chest in the past.

Consequently, not only is it problematic to portray government funding as uniquely constraining, it may be the case that government spending on social welfare beginning in the 1960s actually boosted agency autonomy by weakening centralized mechanisms of coordination in the nonprofit human services. Given the importance of these mechanisms for maintaining cooperation, it would also be misleading to attribute declining cooperation solely to budget cuts and other trappings of neoliberalism in the 1980s; *increased* government funding may have previously stimulated competitive market dynamics in this sector. Below I outline my strategy for determining whether this happened.

Research Design

Given that this portion of the paper attempts to assess changes in an institutional sector's level of competitiveness and that organizational ecology is arguably the most influential social scientific perspective on interfirm competition, it seems appropriate that the introduction of my research design briefly acknowledge organizational ecology and explain why I have not adopted its methods. The ecological prescription for assessing competitiveness is relatively straightforward and intuitive: focus on the number of organizations drawing on the same resources, since "at high density, competitive interactions intensify" (Hannan and Freeman 1989, 136). Accordingly, an ecological approach to determining whether competitiveness in the voluntary human services increased substantially before the 1980s would require an examination of density trends. Unfortunately, comprehensive data on nonprofit density broken down by region and subsector are unavailable prior to the 1970s, but information from the Internal Revenue Service demonstrates (even with periods of missing data) a marked increase beginning in the mid-1960s in the founding of tax-exempt organizations (figure 4), many of which were probably nonprofit human service agencies attracted by Great Society funding (Weisbrod 1988, 63).[18]

[Figure 4 about here]

However, while certainly suggestive of emergent competitive developments, these density figures *alone* are insufficient for the purpose of this study. Organizational ecology operationalizes competitiveness as negative covariance in organizational "vital rates" such as growth and profitability. According to this logic, whether two firms share a common identity is less important than whether the success of one undermines that of the other, as seen in interdependent fluctuations in performance measures.[19] Yet normative assessments of nonprofit competitive trends do not concern performance measures; they relate to managerial dispositions,

[18] Smith and Lipsky (1993) demarcate an entire organizational category as "the agency founded within the last twenty years, directly in response to the availability of government funds for job training, mental health, and other contemporary services" (39).

[19] Organizational ecology builds on Georg Simmel's distinction between conflict and competition, the former referring to direct and antagonistic relations among identified adversaries and the latter pertaining to influences on viability stemming from mutual resource dependence rather than from intentional rivalry (Hannan and Freeman 1989, 140). That the ecological perspective fails to capture competition's social multidimensionality is apparent in the fact that equivalence in resource dependence enables both competitive and collaborative behavior. Indeed, the scholarly record provides ample evidence that interdependent organizations regularly cooperate to maintain "noncompetitive forms of competition" (Fligstein 1996, 656).

institutional customs, and other behavioral aspects of organizational life that are generally peripheral to the ecological perspective. Ecological methods can help to detect the effects of purposive organizational behavior on performance measures, but, as Barnett (2008) explains, they are less effective for revealing the workings and details of the behavior itself: "Understanding competition as a behavior, by contrast [to the ecological rendering], would require detailed observations of organizational actions" (8). Although the proliferation of NPOs beginning in the 1960s hints at a potential period of important behavioral change, ecological metrics cannot illuminate that change.

Of course, Barnett's alternative—"detailed observations of organizational actions"—is difficult for historical projects. Other intuitively appropriate possibilities are surveys (e.g. Johns and DeMarche 1951) and evaluations of cooperative planning (e.g. Seeley et al. 1957), but these types of studies are rare before the 1970s. Alternatively, there has been mounting interest in the utility of organizational records for understanding past behavior (for a review see Rowlinson, Hassard, and Decker 2014). Drawing on this reinvigorated method, I assess the impact of Great Society spending by examining records and reports from several United Way affiliates with archives spanning the years 1960 to1980. In the interest of generalizability, I have also inspected records and reports from the United Way national headquarters. Because United Ways are the institutional descendants of the Community Chests, their documents offer an historical window on the business of coordinating nonprofit human service agencies during the period in question. Table 1 provides information on the local United Ways studied. In order to assess the place of these organizations in their respective local human service sectors, I checked lists of affiliated agencies in available annual reports against contemporaneous lists of agencies acting as fieldwork sites for social work graduate students at major universities nearby: University of

Chicago, University of Pennsylvania, University of Minnesota, and University of Louisville. Until 1970, when such information ceased to be available, upwards of 90% of voluntary human service agencies listed as fieldwork sites were affiliated with the local United Way.

[Table 1 about here]

The focus of my archival investigation was the United Way's transition away from deficit-financing and its associated restrictions. In the early 1970s United Way executives at various staff conferences suggested significant policy changes in propositions cryptically labeled Plans X, Y, and Z (Brilliant 1990, 6). Taken together, these plans recommended that service planning councils be made formally independent of fundraising operations, that direct purchase of high priority services replace budget-balancing allocations, and that affiliated agencies be free to conduct supplemental fundraising campaigns instead of depending on the consolidated annual appeal. The general theme in all three of these proposals is reconstructing the relationship between the central fund and its member agencies as a business partnership instead of a "family relationship," which was the traditional ideal (CCC 1938, 16). Instead of its former role as a paternal, coordinating authority, the newly conceived local United Way would act as a party to transactions with autonomous agencies vying for support in a competitive philanthropic market (Lauffer 2009, 359).

Although these policies were proposed in the early 1970s, what little research on the subject that exists dates the shift away from budget-balancing allocations to the 1980s (Aft 2004, 206; Reisch 2009, 39), thus conforming to the general representation of this decade as the period of nonprofit "marketization" (Salamon 1995, 220). If, on the other hand, government welfare spending undermined centralized coordination in the United Way and boosted agency autonomy, then historical records should show an earlier point of transition and should also cite government funding as a reason for the change.

Findings

Budgeting manuals published by the United Way headquarters and its predecessors indicate significant changes in federated budgetary policy prior to the 1980s; whereas the 1931, 1942, 1955, and 1967 manuals treat the budget-balancing allocation essentially as orthodoxy, the 1975 manual mentions deficit-financing as one option among other more functional and service-focused allocation methods, including purchase-of-service contracting. The 1975 manual also signals change in the various restrictions associated with deficit-financing. For example, whereas earlier manuals treat the remission of surplus revenue as standard practice, the 1975 edition states that "*in some instances*, amounts accrued from unexpended appropriations and unanticipated revenues are transferred at year-end to a reserve fund, rather than treated as surpluses" (UWA 1975, 21, emphasis added). Notably, the 1975 manual makes no mention of policies concerning individual fundraising, again suggesting substantial relaxation of United Way control over its member agencies. Indeed, United Way executive Paul Akana states in an unpublished memorandum from 1976 that the 1975 manual reflects a critical turning point in the United Way's administrative structure and ethos:

> Thus—as is explicitly stated in the Budgeting Guide—there is currently a recognition that agencies *budget* and that United Way *allocates*. United Way does *not* budget agency programs. While this distinction may appear to be a difference only in semantics, it, I believe, presages a fundamental change in posture on the part of the United Way toward its participating agencies. Indeed, United Way may well be on the road to giving full recognition to the reality that agencies are independent, autonomous, separately organized entities—not only free to make their own decisions but perfectly capable of doing so. (Akana 1976, 2)

Akana's distinction between budgeting and allocations represents a larger debate among United Way personnel at the time regarding the proper place of the organization in community welfare provision. As discussed previously, under classic deficit-financing, the central fund not only distributed money to member agencies but also exerted control over their operations through its budgetary regulations. Akana's claim that the United Way "does *not* budget agency programs" confirms what is apparent in the 1975 manual—affiliated agencies had begun to enjoy increased autonomy. In fact, the United Way's budgeting function had begun to destabilize considerably earlier. Chairman of the Executive Committee Hess T. Sears warned in 1965 that "even a casual look beneath the current threats to sound Federation reveals that it is the survival of the budgeting principle that is really at stake" (Sears 1965, 8). In the same year, prominent community sociologist Roland Warren observed that community planning bodies had begun to adopt a more entrepreneurial approach to budgeting and allocations privileging outcomes rather than past spending patterns and relationships, leading to "a new and dramatic encounter between individual enterprise decision-making and concerted decision-making" (Warren 1965, 122).

Showing that the transition from deficit-financing began roughly between 1965 and 1975 rather than in the 1980s is considerably easier than identifying the complex bundle of mechanisms driving this change; however, there is evidence that the availability of government funds was a determinant, as indicated in a 1974 memorandum from the United Way of Buffalo and Erie County to its member agencies:

> …historical conditions and funding patterns have changed significantly, especially during the past two decades, with the emerging role of government in financing and providing community services a dramatic feature…. Given these circumstances, United Ways elsewhere have begun experimentation with different styles of financial linkage to member agencies which include purchase of services, grants, the support of core budgets and other supplements and/or alternatives to classic deficit financing. (quoted in Rabinowitz 1975, 562)

Archival work undertaken in Chicago, Philadelphia, St. Paul, and Louisville confirms that government funding was, at least in certain cases, an important determinant of the move away from deficit-financing.

Chicago.—An internally produced account of the United Way of Chicago's history states that "government and other sources of revenue" led to "pressures for greater agency latitude" (UWC 1992, 20). The Community Fund of Chicago (as it was known until 1977) began acquiescing to agency lobbying for independence as early as 1965, when the board introduced two significant changes. First, agencies were allowed to retain $5,000 in year-end operating surplus. Second, the board gave blanket approval to member agencies to seek government funds for proposals under the Economic Opportunity Act, thus reversing a longstanding policy of requiring that agencies seek permission before receiving funding outside of normal operating budgets. Among the policy changes listed in The Fund's 1969 annual report is "elimination of the concept of allocating Fund money to achieve balanced agency budgets" (CFC 1969, 4). The Fund's 1975 budgeting manual allows $10,000 in retained year-end surplus as well as individual fundraising except during the month-and-a-half long annual campaign, though member agencies were still prohibited from soliciting corporations expressing a desire to remain immune from multiple fundraising drives (CFC 1975).

Philadelphia.—The United Fund of Philadelphia's 1973 annual report acknowledges that, among other factors, the expansion of governmental social programs has "put to the test and sometimes *strained, dislocated or even broken* the traditional relationships between the federated fund-raising unit and the operating agencies to which the funds are channeled" (UFPA 1973, emphasis added). The Fund began its transition from deficit-financing in the early 1970s, contracting services from member and non-member agencies according to a service priorities system rather than on the basis of deficit-financing and permitting individual fundraising. However, records of the instability of deficit-financing go back considerably farther. A 1961 report from the Fund's allocations committee cites "pressures to retreat from deficit financing role" (UFPA 1961, 3) due in part to grants issued by the Philadelphia city government, which backed agency demands that the United Fund not consider such grants when reviewing member needs for allocations planning.

St. Paul and Louisville.—Collections in St. Paul and Louisville yielded considerably less evidence of policy change. I did not find any explicit mention of agency agitation for increased autonomy resulting from government funding, though it is worth bearing in mind that I was unable to conduct a thorough review of meeting minutes and other detailed discussion of day-to-day operations. Because of time and funding constraints, my archival analysis at all four sites prioritized summative documents such as annual reports and committee debriefings. Additionally, table 1 shows that the Community Chest of Louisville and the Greater St. Paul United Fund were substantially smaller than their counterparts in Chicago and Philadelphia, which is significant because larger affiliates have traditionally "set the tone for the whole system…" (Brilliant 1990, 6). For example, a 1968 study released by the United Way umbrella organization found that 40 percent of affiliates raising $1 million or more per year reported that the War on Poverty had influenced their budgeting policies, while only 17 percent of affiliates raising less than $1 million reported the same (UCFCA 1968, 20).

Still, it is noteworthy that the St. Paul operation formed a "Task Force on Allocating Process and Agency Relations" in 1974. Among the task force's reports is a statement that the United Way of St. Paul Area has already departed from a uniform allocations system based on deficit-financing (UWSPA 1974). The Louisville Community Chest formed a similar task force in the late 1960s as part of an in-depth self-assessment project dubbed “The Changing Role,” which was launched in response to “shifts in providing means of financing of many services from private and individual philanthropic giving to taxes…” (CCLJC 1971). A document specifying guidelines for this task force includes the questions “At what point do (or should) agencies have a voice in Chest policy making? Directly? Indirectly?” and “Does the ‘purchase of services’ concept lessen Chest role in direction of agencies? What will its effect be on partnership?” (CCLJC 1971). Although I could not find evidence of policy change, the issues of agency autonomy and changes in budgetary policy were clearly subjects of discussion.

Synthesis.—A more thorough study of change would have been possible if there were a central repository of local budgeting manuals, task force reports, internal memoranda, and data on income from government sources; however, the evidence presented in this section is at least sufficient to call attention to market processes in the nonprofit human services underway before the 1980s and attributable to government social welfare spending. My review of documents from several local operations confirms what is evident in the 1975 budgeting manual—local affiliates had begun transitioning away from deficit-financing and toward more market-oriented arrangements before the 1980s, and government funding was an important determinant. In the cases of Chicago and Philadelphia, serious pressure to abandon deficit-financing and its restrictions had clearly emerged as early as the 1960s.

<u>The Services Integration Projects</u>

United Way networks have never constituted a random and representative sample of local organizations. Indeed, “inclusiveness” was a contentious issue facing the United Way in the 1960s and 1970s, when various activist groups accused it of neglecting politically oriented and controversial human service agencies in favor of more established and traditional ones (Barman 2006). Thus, although records of United Way policy changes provide a unique view on efforts to coordinate private welfare agencies over time, it is important to acknowledge that it is a selective view.

A partial remedy for this limitation is to consider governmental programs aimed at coordinating human service agencies in the 1970s. Great Society policy makers held to the traditional faith in cooperation in welfare, as seen most clearly in the Model Cities program, which empowered City Demonstration Agencies "to reconcile conflicting plans, goals, programs, priorities and time schedules; to eliminate overlaps; and to link operating programs among contributing agencies" (DHUD 1966, 11). The project of coordinating public and nonprofit human service agencies was dubbed "services integration" in the early 1970s and became an official program of the Department of Health, Education, and Welfare, the predecessor of today's Department of Health and Human Services. One of the program's most important features was a research and development strategy involving numerous demonstration projects, resulting in a substantial evaluative literature. Rather than embark on a systematic review of these reports, it suffices to echo Waldfogel's (1997) conclusion that "the overall consensus from these studies was that, although promising in theory, the first wave of reforms was disappointing in practice" (465).

Waldfogel claims that early failures resulted in large part from vaguely stated goals and an emphasis on administrative instead of casework reforms, but Yessian and Lang (1981) argue that another significant shortcoming was a disregard for "the human and political complexities involved in developing integrated service systems" (522). Among these complexities was professional boundary-maintenance; indeed, turf wars among human service practitioners make up a recurring theme in services integration evaluative literature (e.g. Kahn 1976, 42; Weiss 1981, 26; DHHS 1991, 6), which should again alert us to competitive trends preceding neoliberalism. Demone and Harshbarger's (1974) summary is particularly illustrative:

> The extraordinary point…is that many agencies are unaware of and disinterested in the essential symbiosis which overlays the entire human service network. This awareness, when manifested, occurs frequently in the forms of competition, prejudice, and distrust. Boundary maintenance and domain protection are more common than collaboration and cooperation. (20)

Numerous authors have pointed out that the infusion of public funding for social welfare starting in the 1960s drew in "human service professionals trained in public health, urban planning, and public affairs. Staff positions no longer were exclusively a social work domain. The scope of service began to broaden from social welfare to human services…" (Kurzman 1985, 98; see also Wenocur and Reisch 1989, 264). Because services integration evaluations cite professional conflict as an impediment to collaboration and government funding attracted new professions into social welfare in the first place, it seems reasonable to surmise again that government funding contributed to increased competitiveness before the onset of neoliberalism.

DISCUSSION

A byproduct of the preoccupation with neoliberalism in studies of the nonprofit sector is an overblown theme of market invasiveness, which is apparent in a cursory review of some of the diction employed in these studies. Salamon (1995) writes about "the *penetration* of the mechanics of the market into the operation of nonprofit organizations" (213, emphasis added). Kuttner (1999) describes a "relentless *encroachment* of the market and its values" (57, emphasis added), a result of which is that "nonprofit institutions and norms are being *squeezed out* by for-profit ones" (126, emphasis added). Brown (2005) laments "the *intrusion* of market rationality"

(34, emphasis added) into the nonprofit sector. Invoking the same imagery, Eikenberry (2009) has called on nonprofits to "resist *colonization* by the market" (583, emphasis added), while Young, Salamon, and Grinsfelder (2012) warn of a "further *infiltration* of the language and the practice of the market into nonprofit operations" (538, emphasis added). In his most recent exhaustive overview of organizational theory, Scott (2014) argues that the nonprofit sector has "been *besieged* by reformers attempting to restructure [it] around more 'businesslike' models" (253, emphasis added).

This paper advances an alternative representation of market behavior as not only imposed on but also *ingrained in* and *elicited from* nonprofit human service agencies. In addition to demonstrating that competitiveness has always been a prominent feature of interorganizational relations in the voluntary human services, I have argued that cooperation has operated quite differently in theory and in practice. In theory, cooperation is an ideal to which charities with overlapping missions should strive. In practice, because nonprofit human service agencies are independent and often competitive, cooperation has functioned as a heavily administrative exercise marked by conflict, compromise, and control. To be clear, I do not deny that market developments accelerated in the 1980s, but past accounts of these trends have tended to overemphasize neoliberalism while ignoring deeper historical origins and overlooking how the *expansion* of the American welfare state may have also been an important "marketizing" influence.

Policy Implications

The research presented in this paper and the data garnered from the services integration experiments yield an unsurprising lesson for those interested in building cooperative ties among human service agencies: incentives matter. Reviewing the service integration literature, Weiss (1981) concludes that "those coordination projects that provoke the least resistance seem to accomplish that feat by setting up appropriate incentives…" (28). More recently, Irvin (2010) has also observed that "nonprofit organizations themselves seem reluctant to engage in collaborative efforts, unless motivated to do so with external funding from grant makers" (83). As with deficit-financing in the past, top-down coordination of human services today often requires monetary inducement, not simply appeals to common objectives and priorities. The takeaway for funders and planners is to recognize that charities are market actors and to ensure that collaborative projects include sufficient funding to incentivize efficacious participation.

The obvious question, then, is whether collaborative outcomes justify the financial and opportunity costs they incur. However, cost-effectiveness apparently has not been the sole motive for undertaking collaborative projects. Despite known shortcomings, there has been an "interesting persistence of unrealistic expectations regarding what coordinative efforts will accomplish 'next time,' in paradoxical disregard of all the former 'next times'" (Warren 1973, 359). Weiss (1981) argues that "this persistent popularity seems to be rooted in the strong symbolic appeal of 'coordination,' which has overridden attention to evidence about performance" (21). Likewise, Lynn (2002) observes that "faith in services integration among policy makers and foundations persists despite clear evidence that efforts toward collaboration encounter myriad and often fatal difficulties" (80).[20] Given recurring complaints about the American welfare state's disordered condition (e.g. Teles 2013), it seems appropriate not only to

[20] There is a long history of such complaints. For example, referring to failed attempts at building cooperation among a multitude of neighborhood groups in New York City, Bowman (1924) urges "a constant study of mistakes made in community or organization [sic], rather than so much attention as is now given to aspirations of the sentimental, the ambitious, or the super-intellectual" (405).

heed past exhortations to dispassionate evaluation of integrative reforms, but also to reflect on why there has been such dogged faith in the benefits of interorganizational collaboration.

I contend that part of the reason for this faith is a romanticized view of the voluntary human services as an historical wellspring of communitarian values and practice counterpoised starkly to the realm of profit-driven enterprise. While few would go so far as to say that "business organizations are essentially competitive, and social agencies are essentially cooperative" (Trecker 1971, 31-32), there remains a tendency to attribute business-like behavior among nonprofits to neoliberal institutional influences rather than to elementary social behavior. The result is a steadfast belief that human service agencies *ought* to be cooperative and, therefore, that integrative reforms should prove effective if only designed well. Research on interorganizational relations suggests that there is no theoretical reason for such assumptions, and I argue that neither is there an historical basis for them. To be sure, human service agencies may cooperate of their own volition, and top-down coordinative projects may pay dividends in service efficacy and efficiency, but planners and funders should recognize the challenges involved and the alternatives available. A sober cost-benefit analysis in certain cases may determine that the wisest policy would be to forego investment in human services integration and, instead, to hand over the funds directly to the humans themselves.

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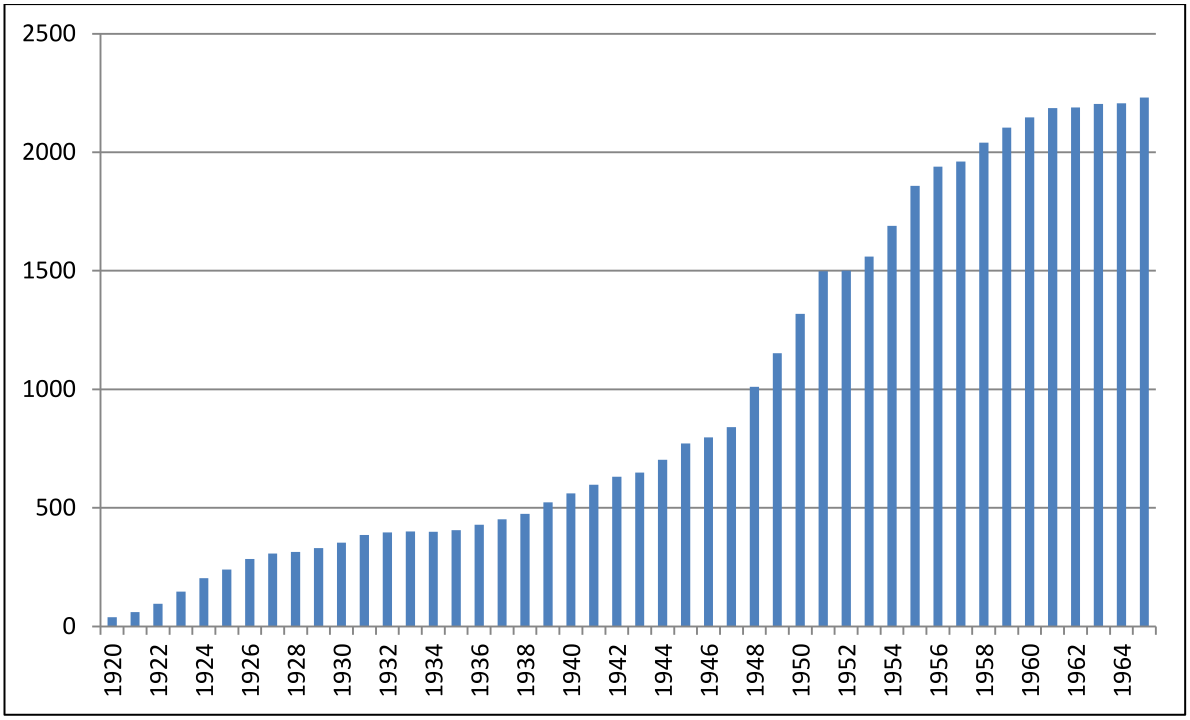
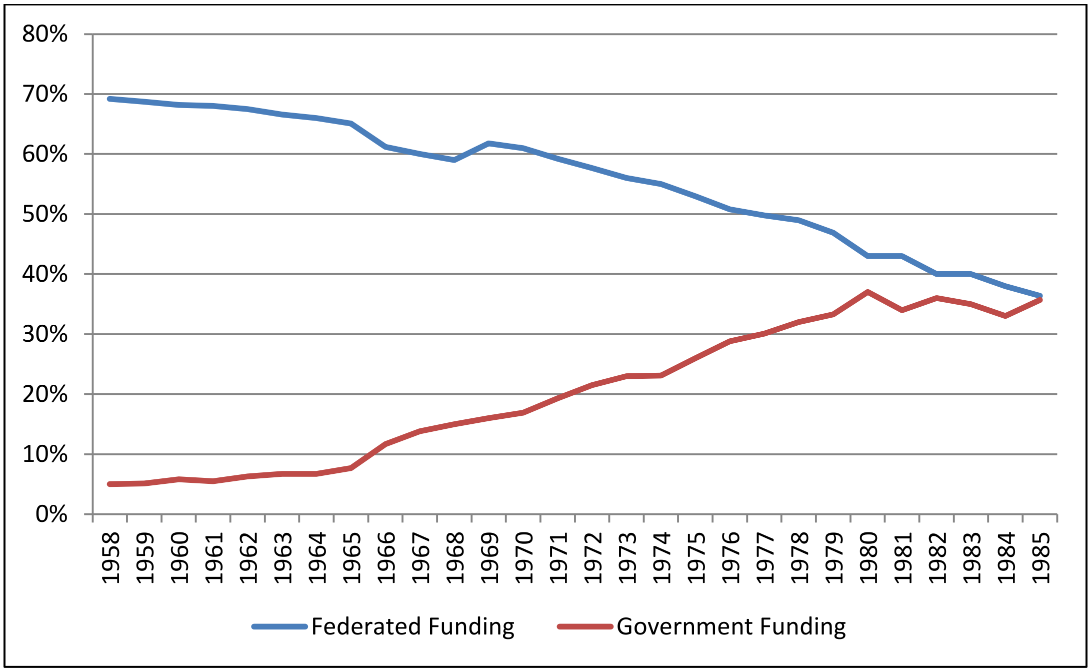
Figure 1: Community Chest Campaigns



Source: United Community Funds and Councils of America, *1965 Directory*, page viii.

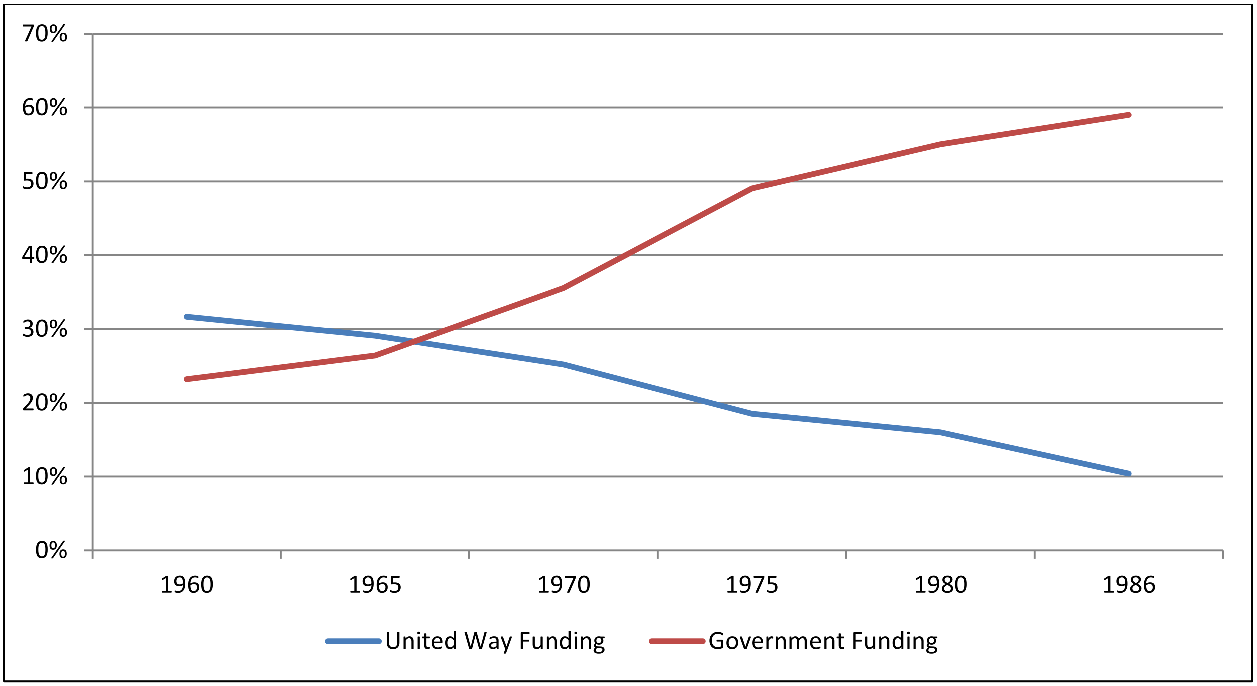
Figure 2: Federated and Government Funding of FSAA-Affiliated Voluntary Agencies (Percent of Total Income)



Source: FSAA Yearly Report Questionnaires, Sections on Expenditures and Income

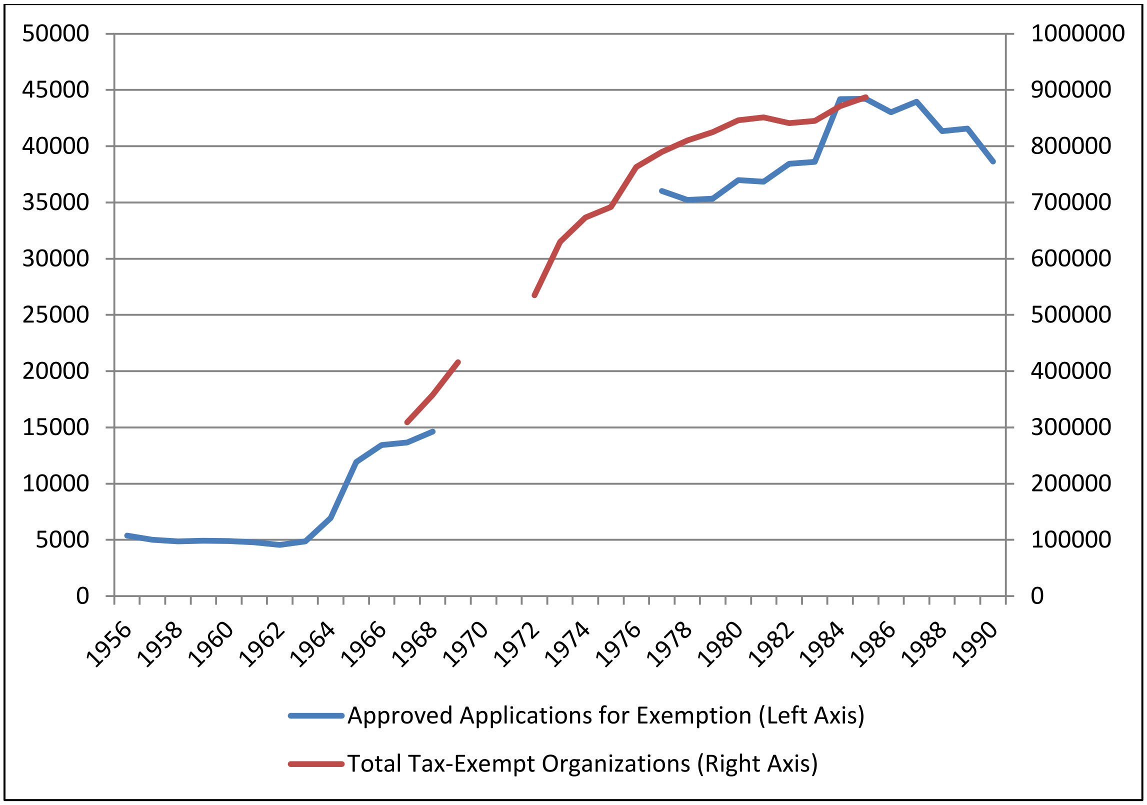
Note: The category "Federated Funding" includes sectarian groups such as the Jewish Federation, but the overwhelming majority of funds derive from the United Way and its predecessors.

Figure 3: United Way and Government Funding of CWLA-Affiliated Voluntary Agencies (Percent of Total Operating Income)



Sources: CWLA (1978), *CWLA Voluntary Member Agency Income: 1977-1978*
CWLA (1981), *Sources of Voluntary Agency Income 1979-1980*
CWLA (1988), *CWLA Sources of Agency Income*

Figure 4: Applications for Tax-Exemption Processed by the Internal Revenue Service



Source: IRS Annual Reports

Table 1: United Way Branches Studied (Data corresponding to 1965)

Name	Funds Raised	Population Covered	Affiliated Agencies
Community Fund of Chicago	$19,940,213	3,500,000	98
United Fund of the Philadelphia Area	$14,809,742	2,760,900	114
Greater St. Paul United Fund & Council	$3,852,031	483,800	61
Community Chest of Louisville & Jefferson County	$3,101,145	649,130	40

Source: United Community Funds and Councils of America, *1965 Directory*.