

Charities, social cohesion and public opinion: why we need nonprofit organizations

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The theme I was given is made up of three elements: charities, social cohesion and public opinion. Even though the outline for this speech seems to have been established by the order of words – that is, charities encourage social cohesion, improving public well-being as a consequence – I would like to try to reason differently and demonstrate that even in a perfect world we need non-profit organizations.

Social Cohesion and Charities

Jigme Singye Wangchuk was the crowned leader of the small and isolated Himalayan kingdom of Buthan until 2006. Many years ago he decided to measure his country's progress not through the gross domestic product (GDP) but through gross national happiness (GNH). There was a political reason behind the decision, but it was widely considered to be an idiosyncratic feature of that far-off Himalayan country.

Then, in September 2006, the Chinese government charged the National Statistical Institute with the creation of a “happiness index”, which was to be associated with the GDP. The aim was to evaluate national well-being and to adopt effective policies. The reason is probably that, notwithstanding the extraordinary economic boom and the fact that average incomes have almost tripled, research has demonstrated that the satisfaction of the average Chinese citizen is lower today than it was in 1994.

In fact, if we leaf through political reports over the last few years, we can observe a growing use of the term “happiness” on the lips of many Western leaders and would-be leaders. For example, it is being used during the current primary elections in the United States - the country of the “unalienable right” of “the pursuit of happiness”, and is present in references made by Tony Blair when he was prime minister: in 1999 he wrote that the progress of a country should not only be measured through the GDP but also in terms of quality of life, sustainable development and personal satisfaction.

Similarly, the imaginative French president Nicolas Sarkozy has charged the Nobel Prize winners in Economics, Amartya Sen and Joseph Stiglitz, to reflect on how to change the instruments used to measure growth. *French people are tired of the growing gap between statistics, which talk about continuous progress, and the increasing problems in their daily life*, Mr. Sarkozy said. In the recent Italian election campaign the term “happiness” also popped up from time to time.

What has happened to all these politicians? (and we refer here to politicians of the developed countries, since elsewhere there are very different kinds of problems)

Are these leaders all turning into romantics, or populists with nothing else to say? Don't they run risks when they involve themselves in those affairs of the heart that we romantically associate with the word “happiness” and which are a very private matter? In fact, their preoccupation is linked to signals coming from civil society and from the need to detect them, rather than from rhetorical temptations.

Let's observe now, for example, what has happened within that most aseptic of government sciences: economics. Theories and discussions regarding "happiness economics" have been multiplying over the last 25 years in the US, for the last 15 years in Europe, above all in the North, and for 7-8 years in Italy.

The research conducted by the Israeli psychologist Daniel Kahneman, who won the Nobel Prize in Economics in 2002, widely contributed to the "humanization" of the economic perspective, demonstrating that human variables such as intuition, feelings and prejudices determine people's economic behaviour. Kahneman too created a "happiness index" in order to measure the degree of development of a country.

This fervour has its origins in a specific event: in 1974 in America the economist Richard Easterlin published an article on what is known as the "Easterlin paradox". He demonstrated the paradox that when per capita income increases, the happiness index also rises at first but, above a certain threshold, further income increases lead to a decrease in the happiness index. It had been thought that happiness increased with an increase in wealth. On the contrary, Easterlin demonstrated through statistical data that this isn't true and that above a certain threshold, people become less happy, rather than happier.

When, during a press conference, Warren Buffet announced that he would be bequeathing the bulk of his personal wealth to the Bill and Melinda Gates' Foundation, he was asked: "why are you leaving so little of your wealth to your three children?". He answered: "I am leaving them enough to allow them to make something of themselves, not so much that they don't do anything else".

The Easterlin paradox deprives work and economy of "social legitimation". People wonder: "Why should we work harder to live worse?" (this is more or less what my wife asks me too...)

Obviously there are various answers.

However, diagnosing happiness levels and the systems used to measure them are ambiguous. The Dutch sociologist Ruut Veenhoven teaches a course on "Social conditions for human happiness" at the Erasmus University of Rotterdam and is working on a global database on this subject, which generates an annual ranking for happier and less happy countries.

He explains that in the past there were a number of urgent problems, such as poverty and injustice. It is obvious that in order to achieve greater happiness it was necessary, first of all, to solve these problems. By today most of these problems have been solved and yet we are still asking ourselves what we can do to be happier. He also says that psychologists and sociologists started to take an interest in the matter during the 60s and that the economic approach is not very different, although economists tend to concentrate more on the relationship between happiness and economic variables such as income and work.

Certainly the happiness that economists and politicians refer to concerns social satisfaction: the wellbeing of citizens which is reflected in conditions such as the state of the environment, work and fairness, rather than the individual search for happiness, which can be found in love, children or religious faith.

But can we really be happy and free in our personal life if the society we live in influences our behaviour, desires and feelings?

To quote Giampaolo Salvini, director of the magazine *Civiltà Cattolica* "Our dissatisfaction stems from the fact that we all give priority to our current accounts, and to having nice houses and cars, in other words to wellbeing in terms of material goods and services, whereas I think happiness derives above all from relational assets, that is from those gratifying relationships which can't be bought. I mean interpersonal relationships inspired by what we call love, or at least fondness or a meeting of minds",

Let's take the Italian word "**chiacchierare**" (chatting) *Chiacchierare* is a typical Italian art, one of the key instruments for building, preserving and often strengthening that world of "big" relationships which are for many of us the mainstay of individual and social happiness.

The role of the public authorities

What can the public authorities do? As always, when we talk about what is free and personal, the public authorities are not involved. They can probably show, through cultural models and life-styles, that personal fulfilment does not usually only come from your current account or the wealth you have accumulated, but lies above all in your social relationships and in sacrificing yourself for others. However, it is very difficult for the authorities to grasp this.

"Relational assets" are not included in the GDP, but according to many people they are in fact what we sacrifice in the accelerated work-earning-spending cycle; indeed our search for a solution to the Easterlin happiness paradox should start from these relational assets.

Therefore, it is evident that, unlike neo-liberals who think that improving the market will solve the paradox, and neo-socialists who say that it is necessary to decrease private assets while increasing public assets, to live more happily we should search for a third option in order to defeat the excessive influence both of market and state. We should encourage the creation of social relationships at a legislative and above all at a cultural level, in different ways.

This is our theory: progress has removed the reciprocity principle from our culture, which is the equivalent of the fraternity principle in economics. Reciprocity includes relationships between people, which generate the relational assets that gives us "joie de vivre".

In order to be happier we need to rediscover the reciprocity principle.

Reciprocity and Charities

Where does reciprocity manifest itself today? No doubt, in all the non-profit organizations. If we want to solve the happiness paradox, we have to work to eliminate those laws that obstruct the reciprocity principle and create tools, financial ones as well, to encourage the proliferation of these organizations.

Even in a perfect world we need non-profit organizations.

Society gives us rights but also imposes duties. More and more often these duties are important not only because they are imposed by law, but above all because they are the expression of our heart, our soul and of our need for reciprocity.

There is a fundamental difference between saying "sit down and wait" and "stand up and walk". The first expression is legal and totalitarian. After having paid taxes, you have only rights and above all, you are free from the world of social duties, from the primordial duties towards yourself, your family and your community.

On the basis of this expression, everything is associated with the state. It is a total and vertical outlook. A mistaken outlook. However, the opposite outlook is also unacceptable: "There's no such thing as society," the British Prime Minister Margaret Thatcher once declared. "There are individual men and women and there are families."

In fact, there are not only individuals nor is there only the State. In the middle, there are also families, communities and non-profit organizations! The new and unifying political formula is part of this outlook,

which is very new and very old, moral and social at the same time. It is an outlook which can be summarised in one word: reciprocity.

It is indeed absolutely clear, that the real problem today is not only that of reducing a “mass” of citizens, calculated as a percentage of a total, to a specific performance standard. It is necessary to create and manage a new kind of social mechanism, evaluating its efficiency on individual, concrete cases, rather than abstractly in numbers.

We need to consider not only increases in the GDP, not only undifferentiated cases in the “big numbers” universe, (Stalin’s statement is symptomatic: “One death is a tragedy; a million is a statistic”), but individuals who preserve their specificity and allow it to emerge gradually.

We are engaged in the pursuit of happiness. Thanks to the non-profit organizations.

The solution is not to be found in continuing to adopt classic “mass” and vertical “top-down” intervention mechanisms, but also and above all in a bottom-up approach: continuous reciprocity.

The solution is not to be found in dismantling the old Welfare State, but in building a different state, passing from the mass to the individual, in the half-way space between the over-“monolithic” and “hierarchical” state and the individual. It is a completely new approach, in which, inevitably, non-profit organizations will take the centre stage.

What has to be done? Change is the only answer.

Public opinion and Charities

We don’t need a lot of imagination in order to change, we just need to open our eyes. There are already millions of Europeans working in the non-profit sector: they are our friends, our brothers and sisters, our husbands and wives, people who often volunteer to do difficult and challenging jobs for free. What does this mean?

It means that:

1 - what is guaranteed by the state, in terms of part-time work or early retirement, is reciprocated by society, which transforms free time and retirement into intense forms of civil engagement. State generosity is therefore reciprocated by civil society.

2 - life is more than simply the cold calculation of hours, coefficients and parameters: generosity and passion, responsibility and humanity are part of the equation.

This group of non-profit operators constitutes the so-called third sector: a sector which gives a lot and receives very little. Indeed, the first sector (the profit-seeking sector) expends a lot of effort in order to finance the second (the public sector), which takes up about half of its product. On the other hand, the public sector gives the third sector only a very small percentage of what it receives.

However, we must be careful. We shouldn’t consider charity work simply to be an instrument which corrects the deficiencies of the welfare state. In fact, we must consider it as a means which can change society.

It is certainly true that charity work is the only way to produce some services on the cheap, but even a very affluent society needs relational assets such as affection, friendship and love in order to produce services. And nobody other than a volunteer (or a paid operator, who is well aware of his or her mission) can provide

these services. Volunteers, or paid operators who are well aware of their mission, are interested in others as individuals, not simply as users of a service, and thus want to “connect” with them.

The decline of a society starts when people lack motivation to link their own destiny to that of other people.

So, we need to be careful.

The backwash effects of the valorisation of the non-profit sector are almost unlimited from the economic point of view, as the growing number of social services we need and will need more and more can't be entirely provided by the state. The solution is not employing more people in jobs in the social services and increasing taxes to pay for them, leading to an unlimited and intolerable level of taxation.

Anyway, even if compassionate philanthropy and the welfare state were sufficient to satisfy all the material needs of all citizens (even in a so-called “perfect society”) the society would still need to valorise the non-profit world and voluntary work in general. This is because these bodies are a strong reference point for the spreading, within our societies, of the concepts of “for free” and of common assets.

Only through the spreading of these principles can we hope to create a happier society. So, our theory has been demonstrated: even a “perfect society” needs non-profit organisations.

An example: the Italian 5 per mille

From this point of view, Italy is, “incredibly”, one step ahead as a result of the *cinque per mille* (or five per thousand).

In 2006 Giulio Tremonti, the Italian Minister for Economic Affairs, introduced the *cinque per mille*. What this means is that individual tax-payers can allot directly a part (five thousandths) of their own income tax in favour of a chosen organization.

This move was very successful: in 2006 more than 40,000 non-profit organisations (78,000 in 2008) applied to the Ministry to receive the *cinque per mille*, more than 20 million tax-payers nominated a non-profit organisation of their choice and more than 461 million euros were given to non-profit organisations.

This mechanism is clearly favours large non-profit organisations, which have more money than small organisations and can therefore invest much more in communication (the focus of the fundraising for the *cinque per mille* consists in the tax-payer nominating a non-profit organization in his or her income tax return). This is certainly an important law which is pointing in the right direction.

It is also a revolutionary law because it breaks the monopoly of politics by transferring some power and responsibilities from the State to civil society, non-profit organizations and citizens. It is thus applying the principle of subsidiarity in full.

A society, if it is to mature and become directly involved in the social sphere needs to participate directly in the allotment and management of public resources. This is the only way to justify and preserve taxation and democratic consent.

The concrete proposal to spread progressively instruments like the *cinque per mille* (or equivalent instruments, such as self-managed deductions or taxation for specific ethical purposes) can be specifically extended to scientific research and then little by little also to the environment and other vital sectors.

This would interrupt the “uniqueness” of the public budget and thus the monopoly of “politics”. Is it a bad thing? Certainly not. It is positive. It is an aspect of the future you have to see to believe.

Short conclusion

Once on buses there was a notice which said: “Don’t talk to the driver”. Nowadays it seems that this warning doesn’t exist any more. The bus has stopped, passengers chat to each other and the driver talks to the passengers. A common project can’t exist unless there is agreement regarding proposals and perseverance in putting them into practice. The non-profit sector can help the driver as well as passengers: it can help drivers to do their work and passengers to continue more peacefully on their journeys.