

"The impact of the third (nonprofit) sector on the economic indicators"***(The American experience)******By******Abdelfateh Tebani******University of Setif 1*****Introduction:**

Globally, there is a long history of civil society organizations in their different manifestations and levels of operation. Providing welfare and security through cooperation at various levels started long before the concept of state and market emerged. Until recently, various forms of customary non-state and non-market organizations have been playing important roles in various societies. However, it is in the last few decades when the civil society sector has taken on an impetus as the 'third sector' of governance with the emergence of new forms of organizations. Non- Government Organizations (NGOs) are such new organizations which have been rapidly growing in the number and size as a subgroup of the non-profit or third sector over the past decades. In the beginning of the new millennium, the NGOs have been so successful that they have often overtaken the state mechanism in providing development services.

With this recent development in the third sector, new forms of self-help organizations have emerged at the grassroots, delivering development to the rural people, especially in the 'third world' countries where the state led social security and insurance system is almost non-existent. After the Second World War, especially in the 1970s, there was a paradigm shift in development thinking from the earlier focus on technology and resource gap in developing countries, which were highly centralized in nature, to the recognition of an "organization gap" along with issues like participation, use of labor, self-reliance, equitable growth and income distribution. One positive development in the 1980s was the recognition of the essential role of civil society in development and the shift in the national and international institutional structure where state and market failure led to the further legitimization of local participation and empowerment. As a result, along with the emphasis on decentralization, there has been the rise of users' groups at the local level and the increased participation of clientele groups in development decision-making.

Without question the role of civil society has expanded in many countries throughout the world over the past several decades. Whether in more open or more authoritarian environments, the third sector is playing an important role in providing social services, contributing to policy

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development, advocating for the rights of poor and oppressed people, contributing to livelihoods and reduction of poverty when the state and market cannot or will not do so, making international aid more effective, growing social capital, contributing to social enterprise and social entrepreneurship.

Yet, there are also significant and growing challenges to the role of civil society as well – challenges posed by the economic and financial crisis that has spread across the world since early 2008, particularly for the poor; ongoing global and local environmental crises; major wars, international and internal, and the related refugee crises; public health issues; global climate change; and many others. These new challenges exist alongside attempts to limit third sector organizations to largely charitable work and service delivery; tightening of legal and political controls on third sector organizations; physical threats to NGO workers, intellectuals, and others; cuts in funding and donations; viewing the third sector as an adjunct and conduit for terrorism and the resulting limitations on transnational philanthropy; the broader concerns for accountability and democracy in the third sector; and many other issues.

The concept of nonprofit sector in Western countries**1- volunteering:**

Many phrases and terms in the Western legal lexical dictionaries refer to the concept of volunteering as a kind of charity. For example, the term **Endowment** is defined in Oxford dictionary as follows: "*Money that is given to a school, a college or another institution to provide it with an income*".¹

This means that the term refers to any money given to a charity, whether it is awarded on the basis of the use of funds granted to the Foundation in achieving its objectives, or retain it for frequent use. The second term which refers also to volunteering is Philanthropy and means:

« *The practice of helping the poor and those in need, especially by giving money* ». ²

as: The same term is found in the *Judicial Dictionary*

« *The desire or effort to help humankind, as by giving money to charities* ». ³

According to the *Stroud judiciary Dictionary* within the Charitable Purposes: putting money to spend its revenue on the goal of a charitable or religious purpose. In addition, Charitable Trusts can be used to return money to a variety of charitable goals, or a private deposit box, which is about investing money for the benefit of a particular person or his descendants.

The third term is trust which means:

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«A trust is an obligation arising out of a personal confidence reposed in, and voluntarily accepted by one for the benefit of another»⁴

In the French dictionary *Dictionnaire encyclopédique* here is the term "Mainmorte" that is equivalent or comes under Not for profit:

"Feudal law that a lord could dispose of the assets of his serfs when they died without an heir. Mortmain property: property legal persons (congregation, churches, hospitals), which are inalienable, not subject to inheritance rules".

*«Droit féodal selon lequel un seigneur pouvait disposer des biens de ses serfs quand ils mouraient sans héritier. Biens de mainmorte : biens des personnes morales (congrégation, églises, hôpitaux), qui sont inaliénables, qui ne sont pas soumis aux règles de succession ».*⁵

2- Endowment as an independent entity:

A lot of vocabularies in the Western dictionaries indicate that the endowment is an independent institution itself, not much different from other traditional institutions. One of these terms is "foundation" which was mentioned in *The American Heritage dictionary* as: « Any institution that is founded and supported by endowment ».⁶

And in Oxford its meaning was:

« An organization that is established for a particular purpose, for example for scientific research or charity ».⁷

Popular non-profit organizations in the US**1- National Endowment for Democracy:**

The National Endowment for Democracy (NED) is a private, nonprofit foundation dedicated to the growth and strengthening of democratic institutions around the world. Each year, with funding from the US Congress, NED supports more than 1,000 projects of non-governmental groups abroad who are working for democratic goals in more than 90 countries. For example, the NED in Morocco with the support of local organizations reinforces the concepts of democracy, where the sub-institution developed an educational program for the Moroccan citizen to introduce them to civil and political rights.

2- Bill & Melinda Gates foundation:

This institution was established in 2000 by merging the Gates Foundation and educational institution and William H. Gates of health. The foundation has reached endowment funds with the consolidated institution equivalent of \$ 29.2 billion and focuses its activities in four programs: The World Health, Education, Libraries, and the northwest Pacific. In the health program of the institution provides services to face HIV

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and shell and other diseases. In the education, the foundation provides programs for low-income and talented students to get scholarships at the University of Cambridge. In the library program with the help of the Foundation contributes to poor communities in the field of computer and Internet services.

3- International Charitable Foundation to help local communities:

This organization seeks to rehabilitate individuals, especially women, through small loans from \$ 50 to \$300. The Foundation has informed the project "global endowment for the poor", where it helped activating banking services in 21 countries over the past eighteen years. In 2002, it distributed more than \$ 120 million in loans at a rate of \$250 per loan. At the global level, the "global endowment for the poor" project offers unlimited banking facilities, and innovative ways within the scope of this project is to focus on rural communities. For this regard, and according to the foundation's CEO Robert Scofield: "Today we have about 230 thousand customer in the world, to have savings worth about \$ 10 million.

Rockefeller Foundation :

The David Rockefeller Fund was established in 1989 by David Rockefeller and his wife Peggy to carry out their annual charitable giving in communities where they had homes outside New York City. In 2001, David Rockefeller expanded the Fund and invited his children and grandchildren and their spouses to take a more active role in the Fund with the idea of transferring to them the family's philanthropic tradition. The Fund's work provides a learning environment where family members are able to engage in dialogue and grant making around shared topics of interest. In 2004, the wealth owned by the organization reached more than \$ 3.2 billion, and has 168 workers across the world of specialists in humanitarian work.

At the level of nations, the United States of America remains the leader in this field. According to the latest statistics by the American Volunteer Endowment Fund came with the following:

- The non-profit sector represented 9% of the GDP (Gross Domestic Product). The most important part of these incomes was spent on health, education, culture and some social and civil projects;
- This sector provided job opportunities for more than 10.2 million people, which represented 6.9% from the American working power;
- There are over 1010400 non-profit organizations in the US. Half of this number did exist five years earlier;
- 89% of the American households volunteer regularly;

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- At the end of 2006, volunteering beat the record with more than \$ 295 billion from grants and gifts;
- The American Treasury is expected to get from bequests and heritage more than \$ 27 billion within the period (1998-2052);

These results beg the question that this sector deserves at least a little attention from the economists and the experts of the field.*

Because of the critical importance of the voluntary sector in this country, we will tackle the case of this sector in detail in the following tables and figures:

Table N°01: popular American NGOs

The organization	Total Assets (b\$)
Bill & Melinda Gates Foundation	29.2
The Ford Foundation	11.6
J. Paul Getty Trust	9.6
Robert Wood Johnson	9.4
Lilly Endowment	8.4

The annual report, the National Philanthropic Trust, 2006
www.nptrust.org

Table N°02: popular Giving American NGOs

The organization	Grants
Wal-Mart Foundation	154.5
Aventis Pharmaceutical Health Care Foundation	114.7
Bank of America Foundation	80.7
Ford Motor Company Fund	77.9
The Wells-Fargo Foundation	65.0

The annual report, the National Philanthropic Trust, 2006
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Figure 01: Amounts of grants and gifts up to the year 2012

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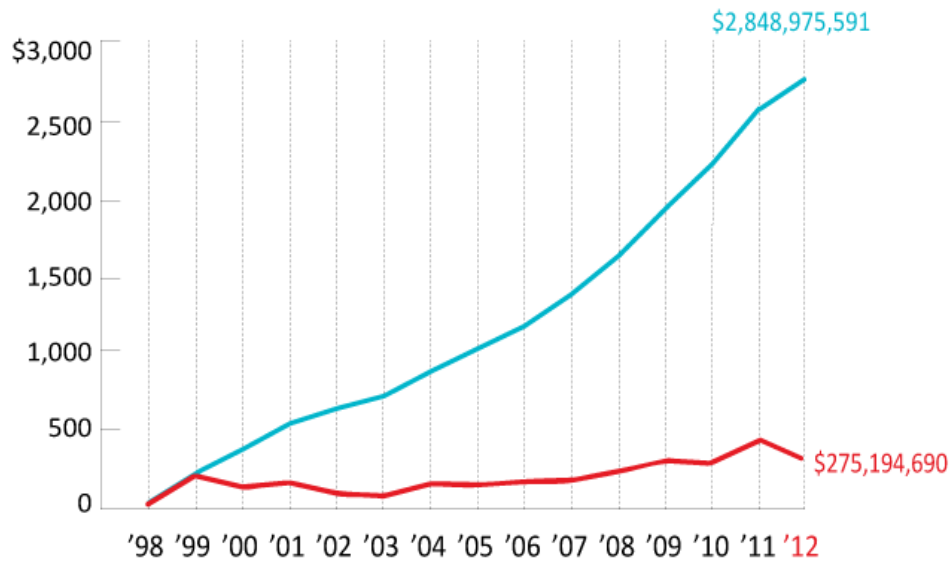
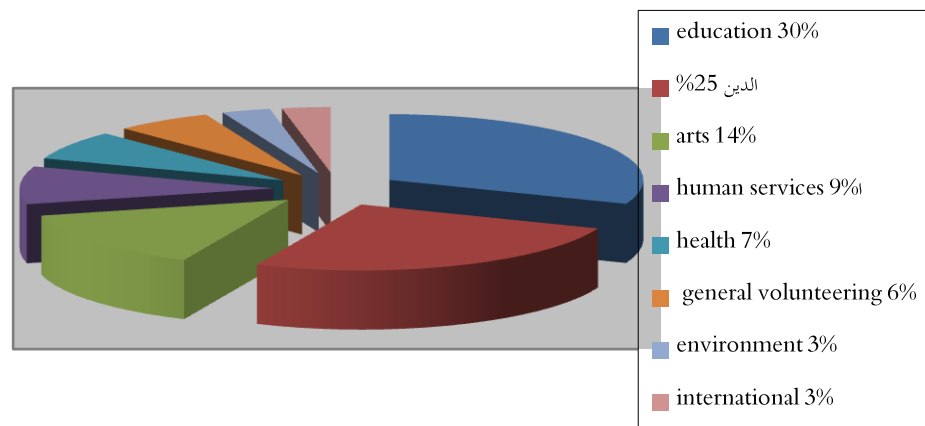


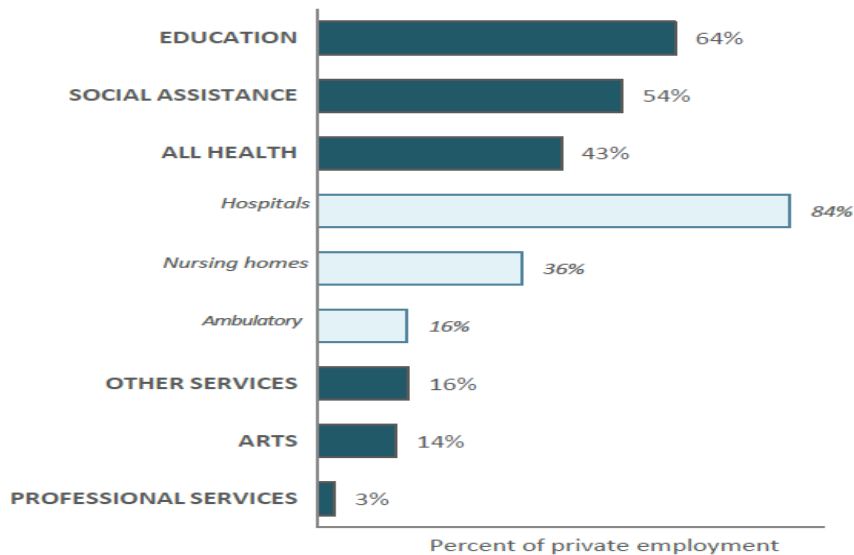
Figure 02: resources of endowments



The annual report, the National Philanthropic Trust, www.nptrust.org

Figure 03: employment share of the nonprofit sector in the US

Nonprofit share of private employment, by field, 2010



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Lester. M. Salamon; holding the fort: nonprofit employment during a decade of turmoil. After careful observation to that included in these tables can access some of the important data, and the most important:

- Philanthropy sector in America occupies a prominent position on the global level, because the size of the sector, as the sample studied indicate, approximately 5.8 trillion dollars to the total donations and grants received and fixed assets of non-profit organizations;
- The number of non-profit organizations in the United States, officially, reaches 1,469,667 registered organization, and since there are a lot of non-profit organizations is not registered, has up to more than a million and a half Organization;
- In America, there are more than 161,141 registered churches whose revenues have increased to \$ 79 billion, and total assets of about \$ 88 billion, and this confirms the great emphasis on religious endowment;
- Thenon-profit hospitals, which are not under the federal government can reach the number of 6199, where more than their incomes and assets compound respectively: 473 and \$ 435 billion, this despite the fact that the US government does not grant universal health insurance for community service, which highlights the importance of the third sector in carrying this burden on the state in the field of health sectors;
- The sum total of the amounts received from non-profit organizations nearly \$ 2 trillion, and the total fixed assets exceed 3.87 trillion dollars.

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