

Preface (1983)

The primary purpose of this book is to develop the rudiments of a theory of behavior of nonprofit organizations on which public policies that govern the use of these organizations for public service can be intelligently based. A review of literature on nonprofit organizations is presented to give the reader a sense of the state of existing theory and knowledge about these agencies. The function of entrepreneurship serves as the point of departure for theory development, necessitating considerable review and discussion of this subject. Thus clarification of the entrepreneurial process and its role in the nonprofit sector occupies a major part of this book and is presented as an important ancillary contribution.

Theory development must be based in empirical observation if it is to be relevant to problems of the real world. To a large extent, documentary literature and the author's general experiences fill this need, but the unique formulation of a theory based on the combined areas of entrepreneurship and nonprofit organizations also calls for original fieldwork. That field-work is documented by case studies in the child-welfare sector, available separately but referred to in this book as the author's field studies or observed cases. (See "Human Service Enterprise: Case Studies of Entrepreneurship in Child Welfare," Program on Non-Profit Organizations, Institution for Social and Policy Studies, Yale University, 1981.)

As this book moves from review and clarification of the nonprofit sector and entrepreneurship to development of the theory itself, the style of analysis changes as well. The early discussion is basically factual and documentary in character, leaning heavily on published material. As the theoretical framework is laid out (in chapters 5 through 8), the discussion becomes more inferential, assertive, and even speculative, as assumptions are made and hypotheses offered on the motives and mechanisms through which entrepreneurial activity influences the behavior of the nonprofit sector. Although the assumptions and specifications are based on insights derived from observation, the formulation is necessarily judgmental and open to debate. Statements in this part of the book should thus be viewed as informed intuition rather than hard fact, and the theoretical framework as a whole must therefore be regarded as somewhat rough and tentative, welcoming both logical refinement and empirical verification, but, it is hoped, ringing true in its essential thrust.

Once the rudiments of the theory have been discussed, the book turns to a deductive mode of argument. Implications are derived for the performance of public ser-

vices, assuming the implementation of alternative public-policy measures that affect the use of nonprofit organizations. This analysis is based on the application of logic, but its results still depend on the veracity of the theoretical assumptions.

The basic purpose of the book is served in these last two stages. The theory of nonprofit behavior is set out so that social scientists may use it as a springboard for further conceptual refinement and as the basis for formulating hypotheses for empirical testing. The policy implications are offered so that, pending acceptance of the theoretical framework, the merits of alternative programs can be more insightfully debated.