

Putting Civil Society and Volunteering on the
Economic Map of the World:
The Opportunity and the Challenge for the Broader
Middle East and North Africa¹

by

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Executive Summary

A tremendous opportunity exists at this time for the countries of the Broader Middle East and North Africa (BMENA) to increase the visibility and credibility of the nonprofit and volunteer sector in the region. This opportunity arises from the issuance in 2003 of a United Nations *Handbook on Nonprofit Institutions in the System of National Accounts* and the forthcoming publication of a new International Labour Organization *Manual on the Measurement of Volunteer Work*. Taken together, these publications offer the first-ever internationally accepted set of guidelines for capturing basic information on civil society organizations and the volunteer labour they harness.

The past twenty-five years have witnessed a spectacular expansion of philanthropy, volunteering, and civil society organizations throughout the world. Indeed, we seem to be in the midst of a “global associational revolution,” a worldwide upsurge of organized private voluntary activity. Despite the promise that this development holds, however, the nonprofit or civil society sector remains the invisible subcontinent on the social landscape of most countries, poorly understood by policymakers and the public at large, often encumbered by legal limitations, and inadequately utilized as a mechanism for addressing public problems. One reason for this is the lack of basic information on its scope, structure, financing, and role in most parts of the world. This lack of information is due in part to the way the nonprofit sector has historically been treated in the prevailing System of National Accounts (SNA), the official system guiding the collection and reporting of economic statistics internationally. *The UN NPI Handbook and ILO Volunteering Manual* present a way to correct this problem.

The challenge for the nonprofit sector in the BMENA region is to take advantage of the opportunity the UN NPI Handbook and ILO *Volunteering Manual* present by moving towards adopting these international standards. Pilot studies and demonstration projects by local research groups could prove useful in laying the foundation for eventual implementation of these international systems by governments. This paper provides an overview of the 20-year process undertaken by researchers at the Johns Hopkins University Center for Civil Society Studies and colleagues around the world to bring the nonprofit sector out of the shadows,

which ultimately culminated in a request by the United Nations to develop the *UN NPI Handbook and ILO Volunteering Manual*.

More than 45 countries throughout the world, including three in the BMENA region (Egypt, Lebanon, and Morocco) have worked with the JHU Center for Civil Society Studies to produce studies of their nonprofit sectors to date. We invite research organizations in the BMENA region to join us in bilateral partnerships to produce systematic and reliable data that will permit comparisons to other countries throughout the world, highlighting the distinct role civil society organizations play in the region, and work with us to encourage national statistics offices to adopt the *UN NPI Handbook and ILO Volunteering Manual* standards.

Introduction

A tremendous opportunity exists at this time for the countries of the Broader Middle East and North Africa (BMENA) to increase the visibility and credibility of the nonprofit and volunteer sector in the region. This opportunity arises from the issuance in 2003 of a United Nations *Handbook on Nonprofit Institutions in the System of National Accounts* and the forthcoming publication of a new International Labour Organization *Manual on the Measurement of Volunteer Work*. Taken together, these publications offer the first-ever internationally accepted set of guidelines for capturing basic information on civil society organizations and the volunteer labour they harness.

The past twenty-five years have witnessed a spectacular expansion of philanthropy, volunteering, and civil society organizations throughout the world. Indeed, we seem to be in the midst of a “global associational revolution,” a massive upsurge of organized private voluntary activity in virtually every corner of the globe.² The product of new communications technologies, significant popular demands for greater opportunity, dissatisfaction with the ability of both the market and the state in coping with the inter-related social and economic challenges of our day, the availability of external assistance, and a variety of other factors, this associational revolution has focused new attention, and new energy, on the broad range of social institutions that occupy the social space between the market and the state. Known variously as the “nonprofit,” the “voluntary,” the “civil society,” the “third,” the “social

² Lester M. Salamon, “The Rise of the Nonprofit Sector,” *Foreign Affairs*, Vol. 74, no. 3 (July/August 1994).

economy,” the “NGO,” or the “charitable” sector, this set of institutions includes within it a sometimes bewildering array of entities—hospitals, universities, social clubs, professional organizations, day care centers, grassroots development organizations, health clinics, environmental groups, family counseling agencies, self-help groups, religious congregations, sports clubs, job training centers, human rights organizations, community associations, soup kitchens, homeless shelters, and many more.

Increasingly, these organizations are being looked to perform a number of critical functions, often in partnership with the state and the market—to empower the disadvantaged and bring unaddressed problems to public attention; to give expression to artistic, religious, cultural, ethnic, social, and recreational impulses; to build community and foster those bonds of trust and reciprocity that are necessary for political stability and economic prosperity; and generally to mobilize individual initiative in the pursuit of the common good.

Despite their growing presence and importance, however, these “civil society organizations” or “nonprofit institutions” (NPIs) have long been the lost continent on the social landscape of our world; only recently have they begun to attract serious attention in policy circles, the media, and academia. For much of our recent history, social and political discourse has been dominated by a “two-sector model” that acknowledged the existence of only two social spheres outside of the family unit—the market and the state, or business and government. This was reinforced by the informal character of many NPIs, by legal regimes in many countries that made it difficult for them to attain clear legal status, and by statistical conventions that have kept even the formal parts of this sector largely invisible in official economic statistics.

This invisibility is due in large part to the rules adopted by the United Nations System of National Accounts (SNA), the official system guiding the collection and reporting of economic statistics internationally. These rules have had the effect of allocating most of the economic activity of even formal and observable NPIs to other economic sectors. Under these rules, any NPI that receives the preponderance of its income from market sales, including sales to government, at “economically significant prices” (i.e. prices that cover the costs of production) is allocated to the corporations sector, either financial or non-financial. Similarly, any NPI considered to be “financed and controlled by” government is allocated to the government

sector. In practice, since the control criterion was not clearly defined, the “financed by” portion of this criterion dominated the allocation decisions. The only NPIs allocated to the so-called “Nonprofit Institutions Serving Household (NPISH) sector in the SNA were those that fell into neither of these two categories. But this turns out to be a very small share of all NPI economic activity. It excludes, for example, private nonprofit universities that receive substantial income from tuition, private nonprofit hospitals that receive reimbursement payments from government, and private nonprofit social service organizations supported in substantial part from government grants.

The result is that even those nonprofits captured in economic surveys are buried in statistics on other sectors while the rest are not picked up anywhere because of their informal character and reliance on uncounted volunteer workers.³ This rendered the civil society sector largely invisible in the world’s major statistical systems and made even the most basic information about these organizations—their numbers, size, activities, economic weight, finances, and role--unavailable in most countries.

Closing the Gap I: The Johns Hopkins Comparative Nonprofit Sector Project

In an effort to fill this gap in knowledge and gain a clearer understanding of the scope and contours of the civil society sector around the world, the Johns Hopkins Center for Civil Society Studies launched the Comparative Nonprofit Sector Project (CNP) in the early 1990s. This project has been under way for more nearly 20 years and has embraced over 45 countries, making it the largest internationally comparative effort ever undertaken to document the size, scope, history, legal position, and policy environment of the nonprofit sector around the world.⁴ The project has relied extensively on local analysts to root its definitions and analysis in the solid ground of local knowledge and experience, and has involved at least 200 local researchers

³ Fortunately, the 2008 revision of SNA makes several changes that may clarify the position of NPIs in SNA data systems. This includes a clarification of the SNA’s “controlled by government” criterion, and a recommendation that countries separately identify the NPIs allocated to the corporations and government sectors.

⁴ For a summary of the results of the previous phases of project work in 36 countries, see: Lester M. Salamon S. Wojciech Sokolowski, and Associates, *Global Civil Society: Dimensions of the Nonprofit Sector*, Vol.2, Bloomfield, CT: Kumarian Press, 2004). For a complete list of the products of the Johns Hopkins Comparative Nonprofit Sector Project, please visit our Web site at: www.ccss.jhu.edu.

and enlisted hundreds of nonprofit activists, government officials, and knowledgeable leaders to act as advisors at both the international and national levels.

Working with our in-country partners, known as Local Associates, we adopted a bottom-up, inductive approach to defining the NPI sector, building up our definition from the actual experiences of the broad range of countries embraced within our project. Out of this process emerged a consensus on five structural-operational features that became what we have termed the “structural operational definition” of the NPI sector. Under this definition, the NPI sector is composed of entities that are:

- *Organizations*, i.e., they have some structure and regularity to their operations, whether or not they are formally constituted or legally registered;
- *Private*, i.e., they are institutionally separate from the state, even though they may receive support from governmental sources;
- *Not profit-distributing*, i.e., they are not primarily commercial in purpose and do not distribute any profits they may generate to their owners, members, or stockholders. Nonprofit institutions can generate surpluses in the course of their operations, but any such surpluses must be reinvested in the objectives of the organizations, rather than distributed to those who hold financial stakes in the organizations;
- *Self-governing*, i.e., they have their own mechanisms for internal governance, are able to cease operations on their own authority, and are fundamentally in control of their own affairs; and
- *Non-compulsory*, i.e., membership or participation in them is contingent on an individual's choice or consent, rather than being legally required, or otherwise compulsory.

This definition has been tested in all 45 countries covered in this project to date, including three in the BMENA region (Egypt, Lebanon, and Morocco), and has proved to be sufficiently broad to encompass the great variety of entities commonly considered to be part of the third or civil society sector in both developed and developing countries, sufficiently flexible to accommodate a great number of cultural and religious traditions, yet sufficiently sharp to distinguish these institutions from other types of social institutions, such as private businesses, units of government, families, and tribes or clans. As one reflection of this reality, the Project included professional associations in its scope of study on the advice of Dr. Amani Kandil, Executive Director of the Arab NGO Network (Egypt), because of the important role they play in promoting human rights in the region.

Using this definition, Local Associates gathered data on the nonprofit sector in their countries.⁵ Their approach here generally involved tapping existing data sources, running household surveys where existing data sources were not sufficient, and conducting hypernetwork sampling where more extensive survey work became necessary because of the absence of meaningful coverage of NPIs in existing data systems.

Key Findings

This Project has generated the first solid comparative empirical picture of the NPI sector ever assembled. In the process, it has exploded a number of long-standing myths about the NPI sector. Key findings include the following:

The NPI sector is a far larger economic force than previously recognized.

In the 40 countries on which data are now available, nonprofit institutions represent \$1.9 trillion in operating expenditures. This is larger than the GDP of all but six countries;

Nonprofits in these 40 countries employ 48.4 million full-time equivalent workers (or 4.6 percent of the economically active population). This exceeds the workforce of many sizable industries in these countries, such as textiles, printing and publishing, chemical manufacturing, food production, and transport and communications.

The U.S. does not have the world's largest NPI sector in relative economic terms, as has been widely thought.

Measured as a share of the economically active population, the workforce of the NPI sector is larger in many European nations than in the United States.

This underlines the point that Europe south of Scandinavia does not really have a "welfare state," as has been widely believed. Rather, these countries boast widespread "welfare partnerships" featuring extensive reliance by government on NPIs to deliver publicly financed services (See Figure 1);

Figure 1 goes about here

Volunteers constitute a crucial part of the NPI workforce, accounting for an estimated 44 percent of full-time equivalent workers (See Figure 2). In fact, even conservatively valued, contributions of volunteer time outdistance contributions of cash to NPIs by a factor of more than 2:1.

Figure 2 goes about here

⁵ For further detail on the methodologies used in each project country, see Salamon, Sokolowski, and Associates, 2004, Appendix D.

Fees and public sector payments comprise the largest components of nonprofit revenue, easily outdistancing philanthropy. In aggregate, fees represent 53 percent of nonprofit revenue, government support represents 35 percent, and private philanthropy represents only 12 percent of revenue (see Figure 3). This helps explain why the SNA allocation rules that capture only those organizations that receive the preponderance of their income from philanthropy yield an unrealistically small picture of the full NPI sector;

Figure 3 goes about here

Far from a laggard component of the economy, nonprofits have been a dynamic presence, boosting their employment faster than business or government in recent years.

Filling the Gap II: Institutionalizing the Measurement of NPIs

From CNP to Official UN *Handbook*

The findings generated by the Johns Hopkins Comparative Nonprofit Sector Project attracted considerable attention, leading to three separate phases of project work. At the same time, the usefulness of these data for policy and representational purposes made it clear that a more permanent mechanism was needed to generate such data on a regular basis. After reviewing the data generated by the Johns Hopkins CNP Project and comparing it to the data on NPIs available through existing SNA data sources, the United Nations Statistics Division agreed to forge a partnership with the Johns Hopkins Center for Civil Society Studies and with an Experts Group of statistical officials from around the world to formulate a United Nations Handbook on Nonprofit Institutions in the System of National Accounts (the UN NPI Handbook).⁶ Accepted by the United Nations Statistical Commission in 2003, the NPI Handbook provides guidance for statistical offices around the world in producing regular “satellite accounts” on nonprofit institutions. Satellite accounts provide a mechanism for reconfiguring data already being captured in official statistics for specific purposes without changing the way the data are utilized in the core SNA system. In this case, it means identifying NPIs in the other sectors to which they are allocated, identifying NPIs not being captured in existing data systems, and pulling together data on all of these NPIs with those reported in the NPISH account to produce a composite picture of the NPI economy. The NPI Handbook closely follows the definition and

⁶ United Nations Statistics Division, *Handbook on Nonprofit Institutions in the System of National Accounts*. (New York: United Nations, 2003). Available for download at: www.jhu.edu/ccss/unhandbook.

classification of “civil society organizations” used in the CNP Project, but captures a far broader array of variables than was possible in the Johns Hopkins Project. The NPI Handbook also calls on countries to capture volunteer work in the NPI satellite account and provides a recommended way to value it. (See Figure 4)

Figure 4 goes about here

The United Nations NPI Handbook: Implementation

Producing a Handbook, even an official one, does not by itself ensure the production of regular data, of course. To ensure that *the Handbook on Nonprofit Institutions in the System of National Accounts* did not become a bookshelf ornament, we sought and secured the approval of the UNSD to launch a dissemination and implementation effort and found financial support for it from a number of private foundations and public agencies.⁷ The results to date are encouraging. In particular:

- Partnerships have been forged with the UN Volunteers, the European Commission, the UN’s regional Economic Commissions, and with the Skoll, Ford, Kellogg, and Sasakawa Peace foundations to promote implementation of the Handbook;
- Regional workshops have been held to introduce national accountants to the NPI Handbook in Europe, Latin America, Africa, and Asia, and follow-up meetings arranged with national statistical authorities in more than 20 countries;
- **33 countries have now made formal commitments to implement the UN NPI Handbook;**
- **Ten countries have produced the “NPI satellite accounts”** called for in this Handbook, and at least four (Australia, Belgium, Canada and the United States) have produced updates.
- **The United Nations Statistics Division**, for the first time, incorporated attention to the nonprofit sector into several crucial statistical system revision processes that have recently been underway, and invited the JHU team to collaborate in ensuring appropriate treatment of NPIs in these processes. Included were the following:
 - The revision of the System of National Accounts (SNA) undertaken in 2006-2008;
 - The preparation of a special chapter on NPIs in the revised edition of the SNA Manual;

⁷ We are indebted to the Ford Foundation, the Skoll Foundation, the Sasakawa Peace Foundation, the W.K. Kellogg Foundation, and United Nations Volunteers for support of this work, and to the United Nations Economic Commissions for Latin America, Africa, and Asia and the Pacific for assistance with the dissemination events.

- The revision of the UN NPI Handbook to ensure its consistency with the revised SNA; and
 - The revision of the International System of Industrial Classification (ISIC) to ensure appropriate detail on fields where NPIs are active.
- The first-ever **Global Assembly on Measuring Civil Society and Volunteering** was held in Bonn, Germany, in September 2007. This event assembled national accounts statistical staff from all the countries engaged in, or seriously contemplating, NPI Handbook implementation as well as representatives of civil society organizations in the same countries and foundation and international organization representatives.

The United Nations NPI Handbook: Initial Findings

Initial findings from eight of the countries that have completed satellite accounts (Australia, Belgium, Canada, the Czech Republic, France, Japan, New Zealand, and the United States) have been processed and are quite revealing. They generally reinforce the findings of the Johns Hopkins CNP Project, but now with the imprimatur of official statistical agencies, and demonstrate that:

- The civil society sector is an enormous economic force, accounting on average for 5 percent of the GDP in the countries covered and exceeding 7 percent in some countries, such as Canada and the United States (See Figure 5);

Figure 5 goes about here

- This means that the GDP contribution of the NPI sector exceeds or is on a par with the GDP contribution of many major industries in these same countries, such as utilities, including gas, water, and electricity (2.3 percent of GDP), construction (5.1 percent of GDP), and financial intermediation embracing banks, insurance companies, and financial services firms (5.6 percent of GDP) (See Figure 6);

Figure 6 goes about here

- In some fields, such as social services, health, and sports and recreation, the GDP contribution of NPIs is much higher than this. In Belgium, for example, NPIs account for 42 percent of the value added generated in the health field and 66 percent of the value added generated in the social services field;
- About a quarter of the value added by NPIs comes from the work of volunteers, underscoring again the crucial importance of capturing volunteer work in economic statistics;

- Nonprofit institutions also turn out to be a highly dynamic element of the economy. Thus, in the five countries on which historical data are available (Belgium, Canada, the Czech Republic, Japan and the United States), the nonprofit satellite accounts reveal that the NPI contribution to GDP has been growing at an average rate that is twice the growth rate of GDP over recent years (8.1 percent per year vs. 4.1 percent) (See Figure 7);

Figure7 goes about here

These data add the credibility of national statistical agencies to the findings generated earlier through the Johns Hopkins CNP studies to underline the critical importance of civil society organizations and the volunteers that support them in countries throughout the world.

Closing the Gap III Institutionalizing the Measurement of Volunteer Work

In the course of implementing the UN NPI Handbook it became clear that one crucial part of the Handbook's mandate could not be fulfilled without a further change in the international statistical system. This was the mandate to capture the value of volunteer work and include it in the measurement of the economic role and contribution of the NPI sector. Volunteer work is not only important in terms of the value it adds to the nonprofit sector, but it also holds significance for policymakers and to the statistical community both because it is a major component of unpaid labour and because of the tangible outputs it produces both for the volunteers and for its beneficiaries.

Under SNA rules, most volunteer labor is considered to be outside the "production boundary" of the economy and therefore not counted. What is more, like other forms of informal activity, even the portion of volunteer work that is theoretically supposed to be measured is not measured in practice. In fact, except for a few countries that have undertaken special surveys of volunteering (e.g. Australia, Canada, the U.K., and the U.S.) data on volunteering is almost non-existent around the world. This posed a serious problem even in countries that undertook to implement the UN NPI Handbook because the national accounts statisticians must work with data generated in other parts of the national statistical system, and in this case no such data were available. Accordingly, the resulting satellite accounts were often incomplete.

The JHU team therefore resolved to find a means to institutionalize the collection and reporting of data on volunteering that would complement the guidelines in the NPI Handbook. Based on initial research, we concluded that the best way to accomplish this goal was to add a special volunteering module to regular labor force surveys. Such surveys have enormous advantages as the platform through which to capture the economic value of volunteer work because they are household based, and because of their frequency and regularity, large sample sizes, and familiarity with concepts of work (paid employment, hours of work, unemployment, underemployment, and employment-related income); these features make the coverage of volunteer work a natural extension and make it easier for respondents to differentiate volunteer work from paid work. Not only are labour force surveys reliable, they also offer a highly cost-effective way to capture at least a limited body of core information about the contours of volunteer work in a country, and have already been used successfully to collect data on volunteer work in a number of countries, including Australia, Canada, and the United States.

Accordingly, we approached the International Labour Organization in the Fall of 2006 with a proposal to formulate an ILO Manual on the Measurement of Volunteer Work that could guide labor force statisticians in measuring volunteer work through labor force surveys. Fortuitously, ILO was organizing one of its every-five-year International Conferences of Labour Statisticians for the Fall of 2008 and recognized the importance of volunteer work to its general emphasis on “decent work”. An agreement was therefore reached in the spring of 2007 to launch the development process and to form a Technical Experts Group of labor statisticians to work with JHU on it.

Over the ensuing months, we convened this Technical Experts Group, secured agreement on a number of key design issues, drafted most of the Manual, subjected key features of it to testing, and successfully presented this draft to the 18th Annual Conference of Labour Statisticians in November 2008.⁸ Work is now needed to respond to a number of points of clarification raised by the Conference, to revise the draft Manual and survey module, and to launch a dissemination and technical assistance effort to promote its implementation.

⁸ International Labour Organization, 2009. *Manual on Measuring Volunteer Work*. [In development]

The expected result of this work will be an internationally sanctioned approach for gathering systematic data on the amount and value of volunteer work and its distribution across various fields by national statistical agencies. The Manual proposes a broad definition of volunteer work that embraces both formal and informal volunteering, offers a suggested survey module for use by national statistical agencies to measure volunteer work, describes the target data elements this module seeks to capture and the classification system recommended to characterize the type of volunteer work performed and the field in which it is carried out, and discusses recommended procedures for survey administration and reporting. Finally, the Manual establishes recommendations for valuing volunteer work using a replacement cost approach that begins with the activity the volunteer engages in and the wage typically paid for that activity in each country to determine the value of the volunteer work.

Current plans call for the completion and official acceptance of this ILO Volunteering Manual by June 2010.

The Challenge to the Broader Middle East and North Africa: Adoption of International Standard Measurement Systems

Despite the enormous progress that has been made in bringing visibility and credibility to the civil society sector worldwide, it remains a fragile organism in the countries of the Broader Middle East and North Africa (BMENA) region, held back by unfavorable legal provisions and lack of understanding on the part of public officials, the business community, the media, and the public at large. Many countries in other regions have begun to reverse this trend and strengthen the sector by adopting the UN NPI Handbook and developing the satellite accounts it calls for.

With the issuance in 2003 of the NPI Handbook, and the forthcoming publication of the ILO Manual on the Measurement of Volunteer Work, the countries of the BMENA region have the opportunity to collect and report on basic information on civil society organizations and the volunteer labour they harness, and to compare these results internationally using the first-ever internationally accepted set of guidelines for capturing it.

The task for the nonprofit sector in the region is to take advantage of this opportunity to conduct research projects and pilot studies demonstrating the sector's economic contribution,

and to strengthen ties to the national statistics agencies and work to convince them to implement the UN NPI Handbook and the ILO Volunteering Manual standards.

To this end, the Johns Hopkins Center for Civil Society Studies is seeking research partners in the BMENA region to produce national data on the individual countries and the region as a whole, in a manner that ensures that the data are produced in a systematic fashion that will permit comparisons to other countries throughout the world. As described above, a comprehensive research program through the Johns Hopkins Comparative Nonprofit Project has already been developed in 45 countries and could be effectively adopted in the region. To do so, the following steps could be taken:

- **Formation of a regional funding coalition.** A regional-level fundraising effort is needed to secure the resources to orient researchers to UN NPI Handbook and ILO Volunteer Measurement concepts, to take advantage of cross-fertilization of ideas, share progress achieved and compare results, identify refinements or modifications that may be needed, and maximize the impact of national level projects.
- **Formation of bi-lateral research partnerships with Johns Hopkins CCSS.** JHU is seeking local research partners interested in producing national data on the size, scope, structure, and financing of the nonprofit activity in their countries using the CNP approach. Our Center is able to offer guidance materials, orientation to UN NPI Handbook and ILO Volunteering Manual concepts, and technical assistance as needed to ensure consistency between the work in the region and the broader effort that is underway in other countries. These results can eventually be integrated into the larger database of country data we have prepared to put the various country results into a regional and international perspective.
- **Partnerships with governments.** Where possible, government statistics agencies should be encouraged to assist with the data-assembly efforts early on in the process. The international acceptance of the UN NPI Handbook and ILO Volunteering Manual offer governments a tool for engaging with the sector in way that meets both the needs of government and civil society.
- **Publication and data release efforts.** The real goal is of course not simply to produce the data and research, but to ensure that these data are used. To do so, it is important to disseminate this research as widely as possible. Johns Hopkins CCSS would help to produce international reports putting the national data into comparative perspective and to assist in organizing release events to disseminate this information nationally and in other countries.

In short, demonstration of the strength and role of the nonprofit and volunteer sector in the region will play an important role in shaping perspectives and changing attitudes about the sector – both from within the BMENA countries and from other regions.

Conclusion

Governments throughout the world are coming to recognize that enormous misconceptions about both economic and social activity result from statistical systems that overlook crucial dimensions of economic activity. Statistics are the lens through which we view social reality, and when that lens is misshapen, distorted, or incomplete, our view of the world is misshapen, distorted, or incomplete.

The nonprofit and volunteer economy is currently one of the chief arenas where such distortions exist. But the message of the nearly two decade-long effort to perfect the lens through which we view the nonprofit institutions sector and volunteering suggest that these distortions are far from inevitable. With perseverance, determination, and good will, it is possible to gain traction on such difficult conceptual and empirical challenges. The formula used in the case of NPIs, consisting of initial research to demonstrate the feasibility of capturing a difficult phenomenon in a reliable way, followed by a concerted effort to find a way to institutionalize the resulting approach, often by establishing partnerships between private research groups and statistical authorities, can work in the BMENA region as well.

This project has already established a strong track record of achievement and attracted considerable international support. However, much of the considerable promise of this work is still to be realized, as commitments by national statistical offices to improve their coverage of nonprofit institutions and philanthropy are turned into actual products and the resulting information is disseminated and used.

It is our hope that the lessons learned in developing and implementing the UN NPI Handbook and the ILO Manual on the Measurement of Volunteer Work will inspire researchers and government statistics agencies in the BMENA region to undertake the initial studies needed to help to understand the nonprofit reality on the ground. The potential benefits will allow all of us to see our world with new eyes.

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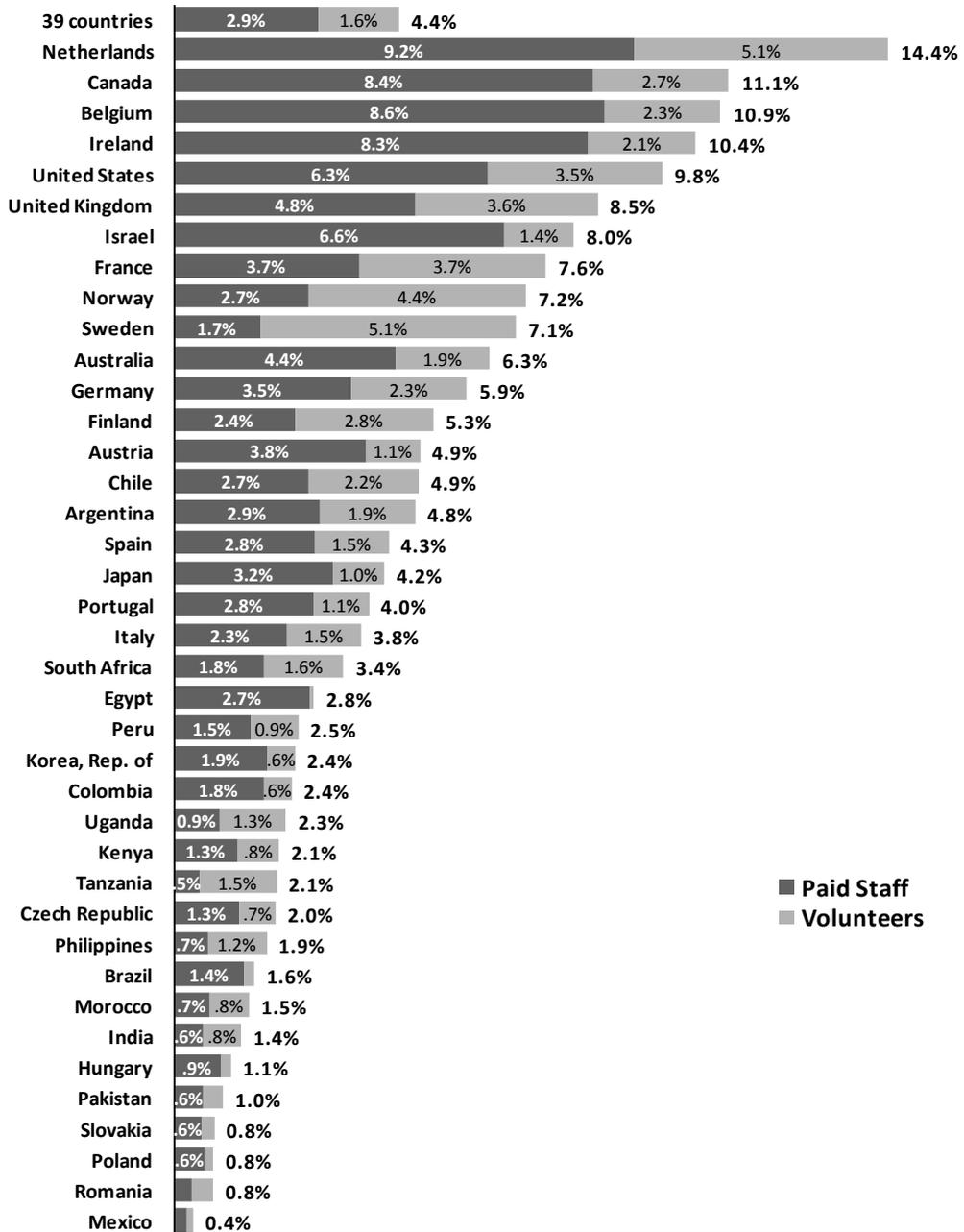
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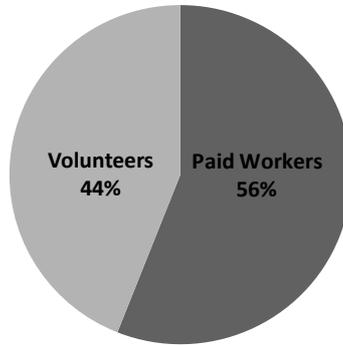
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Figure 1: NPI workforce as a share of the economically active population, by country



Source: Salamon, Sokolowski, and Associates (2004)

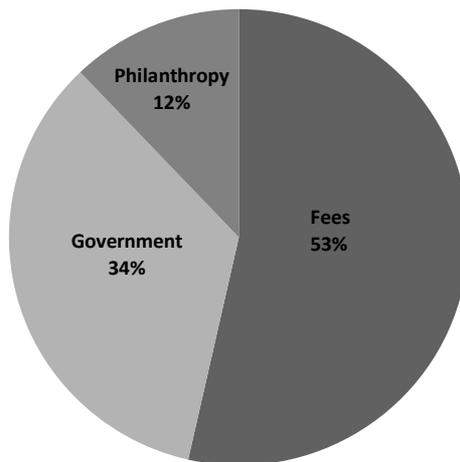
Figure 2: NPI paid vs. Volunteer labor, 36 countries



**n=45.5 million
(including religion)**

Source: Salamon, Sokolowski, and Associates (2004)

Figure 3: Sources of NPI revenue (34 country average)

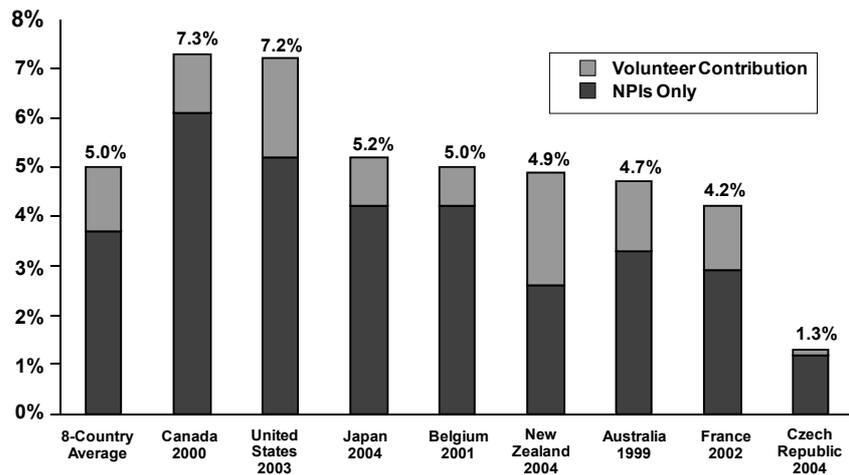


Source: Salamon, Sokolowski, and Associates (2004)

Figure 4: Treatment of Nonprofit Institutions in the NPI Satellite Account

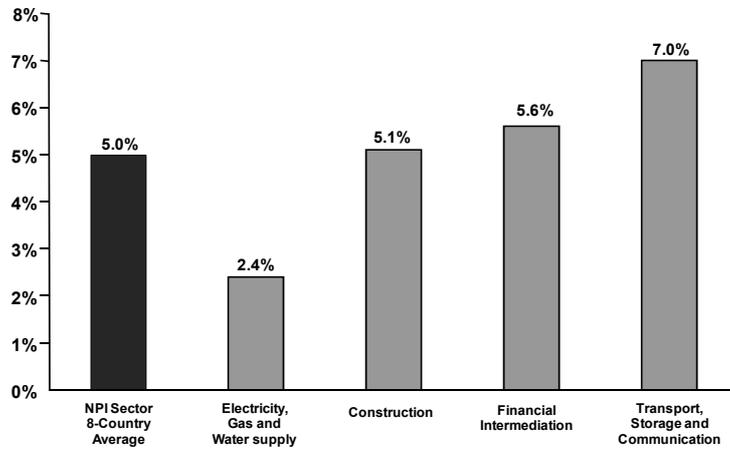
Variable	Sectors of the SNA System									Nonprofit Sector $N = \sum NPI$		
	Nonfinancial Corporations Sector S. 11		Financial Corporations Sector S. 12		General Government Sector S. 13		Households Sector S. 14		Nonprofit Institutions Serving Households (NPISH) Sector S. 15	SNA Basis	With non-market output of market NPIs	With volunteer labor and non-market output of market NPIs
	Total	NPI	Total	NPI	Total	NPI	Total	NPI	Total NPI			
Production account												
Generation of income account												
Closing balance sheet												

Figure 5: NPI Contribution to GDP, Including Volunteers, by Country and 8-Country Average



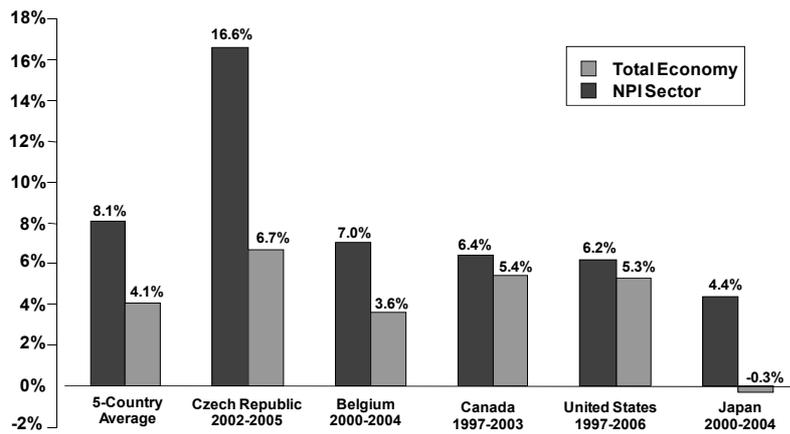
Source: Salamon et. al. (2007)

Figure 6: Contribution to GDP, NPI vs. Other Industries, 8-Country Average



Source: Salamon et. al., 2007

Figure 7: Average Annual Growth of NPIs vs. Total Economy, 5 Countries



Source: Salamon et. al. (2007)

**Data not available on Australia, France, and New Zealand. Does not include volunteer labor.*