

North America: beyond the nonprofit-industrial complex

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Some nonprofit organizations are shockingly bad actors, while others do laudable work. But they all have some fundamental limitations in common.

We are constantly confronted by the problems of modern society: homelessness, violence, underfunded schools, environmental pollution, and the list goes on.

Many people who want to address these urgent issues figure that working at a nonprofit or nongovernmental organization is a great way to make a difference, and get paid for doing it.

And it seems like the number of jobs available at nonprofits keeps growing. As politicians hack away at government programs, social service agencies and other safety-net programs that provide crucial supports for poor and working-class people, service nonprofits often fill the gaps.

While “nonprofit” can refer to any institution with that business status, the phrase “service nonprofit” is more specific, referring to nonprofits that engage directly in providing services to people, such as beds for homeless people, or advocating for services, like Planned Parenthood’s Action Fund.

Service nonprofits are part of what some progressives and leftists sometimes refer to as the “nonprofit-industrial complex.” The U.S. nonprofit sector today accounts for more than \$1 trillion in annual economic activity, making it on its own one of the world’s largest economies.

The anthology [The Revolution Will Not Be Funded](#) defines the nonprofit-industrial complex as “a set of symbiotic relationships that link political and financial technologies of state and owning-class control with surveillance over public political ideology, including and especially emergent progressive and leftist social movements.”

So what are the limits of nonprofits in the fight against injustice in the here and now, and against capitalism in the long term?

For folks who have worked at nonprofits, one of the most obvious problems is the professionalization of nonprofit work, including the growing numbers of people seeking advanced degrees in nonprofit management — which seeks to bring corporate management techniques to the world of nonprofits.

Nonprofits may be required to have employees with certain advanced degrees in order to bill for services and receive funding from programs, such as Medi-Cal in California or the federal Medicaid health care program. Foundations themselves may place whatever stipulations they want in grants, including requiring those who provide services to have advanced degrees, such as a PhD in psychology, even if it’s not necessarily needed.

This professionalization creates stratification between nonprofit employees and the clients they

serve, as well as among those with and without such degrees within a nonprofit.

One consequence of this dynamic is that the people who are clients of service nonprofits are practically locked out of jobs at these organizations — which is a shame because the people who experience the problems are the ones who should be crafting the solutions.

The Ideology of Nonprofits

Service nonprofits — and the related programs and institutions that support them — also have an ideological purpose. Don Lash writes about the relevance of the idea of the Italian revolutionary Antonio Gramsci to the child welfare system in his book [When the Welfare People Come](#). His analysis applies to service nonprofits as well.

One of Gramsci's insights was to explain how capitalist society is able to maintain its legitimacy, despite the yawning chasm between those with immense wealth and those who suffer deep poverty.

Key to his argument are the concepts of "civil society" and "political society." By "political society," Gramsci meant those state institutions that rule through force, such as the prison system, the courts and police. By "civil society," he meant those aspects of the state that rule through consent (which differs from the way many today use the term to mean "voluntary associations").

"Political society" stands ready to enforce decisions when "civil society" cannot obtain consent. When employees of service nonprofits are mandated reporters — for example, when they are required to make a report to child protective services when child abuse or neglect is suspected — they are enlisted as agents of the coercive function of the state.

Some professionals are mandated reporters through the licensure process, but others, such as administrative assistants, may be required to be mandated reporters because a grant says so. Lash goes into great detail as to why the child welfare system is oppressive, deeply racist and not capable of productively transforming the lives of families under its control.

Thus, the label of a mandated reporter can turn an entire profession or an entire workplace into a place to surveil and punish poor families, which are almost exclusively Black and Latino.

This coercive state is also manifested when nonprofit employees are forced to call the police.

For example, a drug rehab facility may permit only adults without children to access its services. Perhaps their grant requires this, and so there is little that workers on the ground can do. If a man staying there brings his daughter, he may be asked to leave, in effect making the family homeless. If he refuses, the cops might be called.

These specific examples offer some worst-case scenarios, and but even when nonprofits are not directly extending the coercive role of the state, they play a supporting role through their "civil society" functions.

The phrase "civil society" may conjure up any number of images — governmental bodies, schools and other "civil" institutions. In Lash's book, he describes civil society as "the network of organizations used to elaborate and disseminate ideology." Lash goes on to write, "Gramsci's 'extended theory of the state' holds that civil society maintains 'hegemony' of dominant ideas."

Nonprofits — through the services they provide and the media and other campaigns they design — explicitly and implicitly reinforce and perpetuate certain ideas. For example, in their work they frame what is the “appropriate” solution to social problems.

The existence of homeless shelters and the various networks that interact with and depend on these shelters reinforce the idea that shelters are the appropriate solution to homelessness — as opposed to, say, homeless people organizing themselves, or transforming an economic system that produces far more empty homes than there are homeless people to fill them.

A different example is Planned Parenthood’s Action Fund, which reinforces and perpetuates the idea that the solution to large-scale political problems is donating to an organization that then hires a lobbyist — as opposed to, say, building a mass movement capable of occupying Congress or otherwise disrupting business as usual until its demands are met.

By framing the solutions to problems in a particular way, nonprofits also implicitly frame where these problems come from in the first place. When the solution to homelessness is individualized — beds for each person, often given on a day-by-day basis — the logical conclusion is that the cause of the problem is also individual. This ideology is necessary to justify the use of coercion and force, if and when it is used.

And because there is a hegemonic idea about the cause of these problems — namely individual bad luck or irresponsibility — it makes a collective solution seem “irrational.”

Finally, nonprofits also reinforce an ideology about the most appropriate way to bring about change — namely, working for a nonprofit.

And who benefits when good-willed people committed to social justice get drawn into a system that they depend on for their livelihood and that incentivizes not rocking the boat? The people who stand to lose the most when powerful social movements rock the boat — in other words, corporations and the wealthy.

This ideology — about what is acceptable and what is not, about where social problems come from and where they don’t — is taught to nonprofit workers in their workplaces, to professionals in their training programs as they prepare to enter the nonprofit job market, and to the larger society as witnesses to all this.

And often the organizations perpetuating these ideas, writing the curricula for schools and hosting trainings are themselves nonprofits.

This helps to illustrate what is meant by the phrase “nonprofit-industrial complex”: the web of nonprofits that interacts at different points to avert the worst social catastrophes, perpetuates the ideology that explains poverty and hardship as a matter of individual responsibility, and, when need be, justifies coercive and violent elements of the state.

Seeing Ourselves as Workers

Every worker has the power to withhold their labor, and when coordinated with co-workers, the collective withholding of labor halts the work of any factory, school or enterprise.

If you work at a nonprofit, you may be a therapist or a fundraiser or an administrative assistant —

but you are also a worker.

Nonprofit workers will have experiences similar to most other workers — they get paid too little, while the boss gets paid way too much. And when workers try to fight back, even at nonprofits, they face the same hostility from bosses that they would at any other workplace.

At the [Whittier Street Health Center](#) in Boston, workers were seeking to unionize in order to address chronic understaffing and underpayment of wages. In response, management hired a law firm whose website boasted of having “helped dozens of employers successfully defeat union organizing drives.”

Just six days before the June 20 vote to unionize, the clinic went on the offensive, firing 20 workers. Coincidentally, many of those who were fired were publicly in support of the union.

The next day, workers protested outside the clinic, and the day after that, the workers had their jobs back. All of this happened before the union vote, and once the vote took place, workers voted overwhelmingly to join 1199SEIU United Healthcare Workers East.

At Planned Parenthood of the Rocky Mountains (PPRM) in Colorado, [employees won their vote to unionize](#) in fall 2017.

Executives at PPRM turned to the Trump administration’s National Labor Relations Board (NLRB), arguing that the union effort “ought to include all the clinics in the regional agency, which spans three states.” They argued that they are “not currently opposing efforts to organize our affiliate; we have asked the NLRB to consider whether all of our employees should be able to participate.”

Forcing workers to organize across three states was a surefire way to tank the unionization efforts of these employees, and turning to Trump’s NLRB risked setting a bad precedent for nonprofits. So why do it? Because under capitalism, there is a fundamental tension between bosses and workers.

Workers want their rights respected; bosses want to reduce workers’ struggles in order to keep costs at a minimum. This is true in factories when workers are making car parts, and it’s true at Planned Parenthood when workers are providing health care.

Unionizing is important for nonprofit workers for a few reasons. Unions are formal organizations that give workers a way to resist the bosses’ efforts to drive down their wages and working conditions. Secondly, unions, unlike nonprofits, are membership organizations that give people the opportunity to fight on their own behalf.

No union is perfect, but unions give workers a voice in how their workplaces are run, and you are able to have more of a say in how your union is run than a nonunionized workplace. If you want more of a say in how your nonprofit workplace is run, unions provide a vehicle for accomplishing that type of democratic change.

Nonprofits and Anti-Capitalist Strategy

Not all nonprofits fit the image of a horrible, union-busting organization. There are many nonprofits that participate in movement activism, and that socialists may find many points of agreement with.

In September 2017, staff with the California Immigrant Youth Justice Alliance (CIYJA) [interrupted a press conference by House Minority Leader Nancy Pelosi](#) to demand a “clean” DREAM Act.

The DREAM Act would provide a pathway to citizenship for 2.1 million immigrant youth and young adults who came to the U.S. children, and a clean DREAM Act would do this without other measures harmful to immigrant communities, such as funding for border walls, border enforcement, more detention centers and so on.

After the protest, CIYJA's statewide coordinator wrote an op-ed in the Huffington Post denouncing Obama as the "Deporter-in-Chief" and defending the use of direct-action tactics aimed at politicians.

Interrupting politicians, demanding amnesty for all immigrants, highlighting the complicity of both political parties in terrorizing immigrant communities — these are strategies that any social-justice activist would agree with. CIYJA does admirable work.

The point is that not all nonprofits do bad things, but they do all share certain limitations. Nonprofits address the symptoms of a broken system — racist, anti-immigrant policies; lack of access to health care, housing or emotional support — but they do not have a strategy for addressing the underlying disease, namely capitalism.

In *The Revolution Will Not be Funded*, Paul Kivel writes:

When temporary shelter becomes a substitute for permanent housing, emergency food a substitute for a decent job, tutoring a substitute for adequate public schools, and free clinics a substitute for universal health care, we have shifted our attention from the redistribution of wealth to the temporary provision of social services to keep people alive.

Is that all we can hope for — keeping people alive? As socialists, we know that society has enough wealth and sufficient technical means to do much more than simply keep people alive. We are fighting for a world where people's basic needs are not only met, but for a world where we all can thrive.

Working at a nonprofit doesn't necessarily advance the struggle for such a world, which would require getting rid of the profit motive as the key mechanism for allocating and coordinating society's productive assets.

The best nonprofits seek to bring improvements in people's lives. But our aim is to fight for a socialist society that puts people before profits — that puts the working class in control of the factories and offices, and in control of the products of their own labor.

If nonprofits don't have this as their aim, it's important to ask what method of organization *will* bring about the change we want to see?

If, as Marx wrote, the emancipation of the working class must be [the act of the working class itself](#), then a professional class of nonprofit workers advocating for liberation on behalf of other people won't be sufficient to transform society.

It's critical that all workers and oppressed people participate in their own liberation — through social movements, unions, coalitions and socialist organizations — and organize themselves to fight in their own interests for a world free of oppression and exploitation.

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