R E P O R T R E S U M E S

ED 018 846 EA 001 220

THE QUASI NONGOVERNMENTAL ORGANIZATION.

BY- PIFER, ALAN
CARNEGIE CORP. OF NEW YORK, N.Y.

PUB DATE 67

EDRS PRICE MF-$0.25 HC-$0.72 16P.

DESCRIPTORS- ORGANIZATIONS (GROUPS), INSTITUTIONS, *FEDERAL GOVERNMENT, *PRIVATE AGENCIES, *FEDERAL AID, FINANCIAL SUPPORT, REGIONAL LABORATORIES, *COMMUNITY AGENCIES (PUBLIC), *VOLUNTARY AGENCIES, GOVERNMENT ROLE, AGENCY ROLE, NEW YORK CITY,

ORGANIZED TO MEET URGENT NATIONAL NEEDS, PROVIDE INDEPENDENT JUDGMENT, AND OFFER FRESH SOLUTIONS TO COMPLEX PROBLEMS, THE QUASI NONGOVERNMENTAL ORGANIZATION IS DEFINED AS A NONPROFIT ASSOCIATION OR INSTITUTION LODGED IN THE PRIVATE SECTOR OF SOCIETY BUT FINANCED LARGELY OR ENTIRELY BY THE FEDERAL GOVERNMENT, RESPONSIBLE TO ITS OWN BOARD OF DIRECTORS, LOCATED ON NONGOVERNMENT PROPERTY, AND DETERMINING AND IMPLEMENTING ITS OWN PROGRAM. EXAMPLES OF SUCH INSTITUTIONS INCLUDE RESEARCH UNITS SPONSORED BY THE DEFENSE ESTABLISHMENT, REGIONAL EDUCATIONAL LABORATORIES, PRIVATE ORGANIZATIONS SUPPORTED BY CIA FUNDS, TECHNICAL ASSISTANCE PROGRAMS SPONSORED BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT, AND COMMUNITY ACTION AGENCIES SPONSORED BY THE OFFICE OF ECONOMIC OPPORTUNITY. BECAUSE IT SERVES PUBLIC RATHER THAN PRIVATE OR INDIVIDUAL PURPOSES, THE QUASI NONGOVERNMENTAL ORGANIZATION IS DISTINCT FROM THE TRUE VOLUNTARY ASSOCIATION. WAYS NEED TO BE FOUND TO INSURE SUCH ORGANIZATIONS THE FREEDOMS OF PROGRAM, ADMINISTRATION, AND COMMUNICATION, WITH ADEQUATE FINANCIAL SECURITY AND APPROPRIATE ACCOUNTABILITY. THIS ARTICLE IS A REPRINT FROM THE "ANNUAL REPORT FOR 1967." (JK)

THE QUASI NONGOVERNMENTAL ORGANIZATION

Reprinted from the 1967 Annual Report

CARNEGIE CORPORATION OF NEW YORK

589 Fifth Avenue, New York 10017

After March 1, 1968: 437 Madison Avenue, New York 10022

Carnegie Corporation of New York is a philanthropic foundation created by Andrew Carnegie in 1911 for the advancement and diffusion of knowledge and understanding. Its present capital assets, at market value, are about $322 million. Approximately seven per cent of the income may be used in certain Commonwealth areas; all other income must be spent in the United States.

The Corporation is primarily interested in education and in certain aspects of governmental and international affairs. Grants for specific programs are made to colleges and universities, professional associations, and other educational organizations. The president of the Corporation is Alan Pifer.

The Quasi Nongovernmental Organization

IN recent years there has appeared on the American scene a new genus of organization which represents a noteworthy experiment in the art of government. Lodged, through the normal process of legal incorporation, in the private sector of society, this new entity has in many respects the countenance of the private, nonprofit enterprise and even some of the characteristics of the true voluntary association. Yet it is financed entirely, or in large part, by the federal government, it was created as the result of federal legislation or other governmental initiative, and it serves important public purposes as an instrument of "government by contract." We may call it the *quasi nongovernmental organization.*

What precisely is this new creature? Why has it come into being? What unique purposes does it serve? Why is it quasi nongovernmental? What is its probable future?

These are questions that have on the whole been little considered. They should interest anyone who is concerned about the future of private institutions in our society. They should also intrigue anyone who is concerned about how—indeed whether—our national government can remain an effective force in the face of the mounting complexity and increasing extent of the problems with which it must grapple. For this new social form has, like previous inventions such as the government corporation and the government foundation, come into being not for capricious reasons but because it is an indispensable response to new conditions. Our society needs it and accords it an honored, if indeterminate, place among our panoply of national institutions. What is different about this new development, however,

is that although it stems from government, it is not, like its predecessors, located within government. And, therefore, it raises some novel questions.

Quasi nongovernmental organizations seem to be principally a phenomenon of the past two decades. How many of them there are now or how much money government spends through them annually, no one knows for sure because of the difficulty of defining the genus precisely and because of the lack of any centralized information about it. The genus would, however, seem to include the following distinct and quite different species: several dozen so-called "not-for-profit corporations" providing advisory and other services to the Air Force, Navy, Army, Department of Defense, Atomic Energy Commission, and National Aeronautics and Space Administration; a small number of agencies related to the Department of State or the Agency for International Development providing educational, informational, cultural, and technical assistance services overseas; a score of regional educational laboratories sustained by the United States Office of Education; and about three-quarters of the more than 1,100 community action agencies, which receive most of their support from the Office of Economic Opportunity. The list would also include the limited group of organizations which have until recently been wholly supported by the Central Intelligence Agency.

Probably not yet to be classified as quasi nongovernmental organizations are many additional agencies which, unlike the ones just described, have genuine origins in the private sector but which in recent years, with large-scale government financial support, have increasingly become instrumentalities for carrying out public purposes. These agencies are found in the fields of health, welfare, and education, in the international area and in other domains. If the special relationships which they are developing with government become appreciably closer, they too will be denizens of the halfway house between government and the private sector already occupied by the quasi nongovernmental organization. One must, therefore, keep these additional organizations in mind as potential recruits to the new genus.

Characteristics

The quasi nongovernmental organization has many of the attributes of the true private organization. Typically, it has a board of trustees or directors that is supposed to govern it and that, in theory, is ultimately responsible for its affairs. The members of its staff are private employees, not civil

servants. It is not housed in a government building or located on federal property. Its employees are in most instances free from security clearance except when working on classified government business. In theory, it determines its own program and carries this out as it sees fit. Frequently, it receives some, though usually limited, financial support from sources other than the federal government. It may, occasionally, even extend the privilege of membership in itself to individuals meeting certain qualifications, thus giving it the appearance of the voluntary association. Lastly, as we have seen, it is legally incorporated as a private institution, and it enjoys tax-exempt status.

But the quasi nongovernmental organization has other characteristics which seem to deny it a place in the tradition of voluntary associations in American life or, indeed, fully in the private sector at all. Most importantly it was created as the result of federal legislation or administrative action in Washington, rather than on the initiative of private citizens. It is dependent financially for its very existence on Congress and the particular federal department, agency, or service to which it is related. The accounts it keeps on its federal funds are examined not only by private but also by government auditors. It may, indeed, even be subjected to a searching investigation of its books by the General Accounting Office on the order of a member of Congress. Its most active channel of authority, therefore, tends to run between its paid staff and a Washington bureaucracy, and its program is likely to be heavily influenced by Washington's needs, regulations, and whims of the hour. At bottom, its freedom of action, compared with that of a truly private organization, is considerably restricted because the necessity for public accountability is built into its very nature.

In the circumstances, the quasi nongovernmental organization is unlikely to be able to put down a deep and vigorous root system in private soil. However fine an organization it is and however useful, it remains an exogenous growth, never entirely accepted as either truly voluntary or fully private.

Reasons for Existence

The existence of each type of quasi nongovernmental organization has at one time or another been seriously called into question. And yet in each instance there was a convincing basic reason for its establishment. An urgent national need had been identified that no other institution in the society was meeting, or, seemingly, could meet.

In the case of the "not-for-profits," the defense establishment, responding to new scientific and technological challenges, needed two products which it could neither develop in house nor buy from private industrial firms. These were, first, certain specialized technical skills derived from a scientific, scientific-engineering, or social science knowledge base and, second, highly specialized advice given with absolute objectivity. The capacity of the "not-for-profits" to pay salaries higher than those which government could offer of course enhanced their ability to attract particularly well-qualified personnel.

The regional educational laboratories were a governmental response to growing public awareness of failure in the nation's educational system. In theory, it would have been possible simply to give the funds to university schools of education for additional research of the type they were already doing. Their research record, however, was considered sufficiently questionable to make this an unpromising alternative. While it was clear that university scholars from many disciplines would have to participate in a new national research effort in education, it was also clear that some new mechanism was needed as a base for the effort, a mechanism in which a number of resources not previously directed towards the problems of our educational system could be brought together. The independent nonprofit corporation was considered to be the best device for the purpose.

In the case of the CIA-sponsored organizations, a national need had appeared in the early fifties for some means through which American intellectuals could make their presence felt, and have their arguments for a free society heard, in the confrontation that had developed with the Communist camp. It was obvious that the Communists were organizing a variety of intellectual activities around the world aimed at winning uncommitted people to their side. We had to do the same, and yet we had no effective means at hand for the job.

One possibility would have been to use government funds openly to expand existing government educational and cultural exchange programs, but there were members of Congress and others in government who doubted the wisdom of such a course. Equally important, however, was the view held then within government that the United States, having private institutions, should use them in the struggle against totalitarianism because their very involvement would be an advertisement for a free society such as ours. The problem, however, was that in a number of instances we lacked private agencies with the appropriate mission and competence.

So the expedient of using CIA funds to create new private organizations specially for the purpose (and in some cases to subsidize existing agencies) was adopted. It was in the circumstances a quick, imaginative, and effective solution to a serious problem. But it was a solution that was bound in time to become embarrassing because of the incongruity of covert financing with the nature of free intellectual institutions. The need, however, for communication with intellectual and artistic leadership throughout the world remains, and, as before, it will have to be met very largely by government funds—but this time given on an open basis and by a more appropriate agency of government.

Sponsorship by the Agency for International Development and its predecessor agencies of new private organizations to provide technical assistance to developing countries came about for the straightforward reason that, in the administration of the aid program, there proved to be a distinct need for certain specialized kinds of services that no existing private agency or university was able to provide and that could not be developed as economically or efficiently within the governmental bureaucracy itself.

In the case of the community action agencies sponsored by the Office of Economic Opportunity, there was, again, a pressing national need not being met. This need was to develop an understanding of the causes of poverty, the will to attack it, and the capacity to do this on the basis of a broad participation of all elements in the community, including the poor themselves. The job was simply not being done by existing public and private agencies, nor was it thought, could it be; they were considered too fragmented in their approach and too set in their ways, and they were also seen as being too middle-class, too white, too paternalistic, and too alien to be acceptable to those who were most deeply mired in the "culture of poverty." Clearly, the solution was to create a wholly new kind of mechanism to deal with the problem, the community action agency, and in most instances the most workable form for this to take proved to be that of a private, nonprofit agency heavily supported by federal funds.

The quasi nongovernmental organization has, therefore, been established to fulfill a number of specific purposes. These may be summarized under three general headings: to meet government's need for specialized services not elsewhere available, to provide it with independent judgment, and to offer it the kind of flexibility required for fresh solutions to complex and novel problems. Each of the quasi nongovernmental organizations has had, in varying degree, these basic purposes. And in every case it

has been deemed essential to achievement of the purposes, not only that a new organization be created, but that it be located in the private, nonprofit realm of American life.

The Voluntary Association

To understand why the quasi nongovernmental organization can never be fully integrated into the voluntary tradition in American life, we need to reflect for a moment on the characteristics of the true voluntary association. The term itself is elusive. Theoretically, it includes not only all kinds of private enterprise, both nonprofit and for profit, but even the institutions of a democratic form of government as well—in short any activity by private citizens undertaken in concert and on their own volition. A more usual definition, however, and the one we are concerned with here, restricts the term to *private, nonprofit* activities, that is, action outside the initiative and authority of the state but not in the profit-making sector. This definition can include such diverse enterprises as religious organizations, political parties, trade unions, private educational institutions, voluntary hospitals, private museums and libraries, professional associations, mutual insurance companies, cooperative savings and loan associations, foundations, research organizations, fraternal societies, social clubs, and so forth. (Sometimes use of the term is restricted even further to apply only. to nongovernmental service organizations in such fields as health, welfare, and recreation. These organizations, however, are then usually referred to as "voluntary agencies.")

Those who have studied voluntary associations in American life have maintained that they seem to satisfy two basic social needs. They offer the individual an opportunity for self-expression, and they provide a means through which he can promote his interests or beliefs, or satisfy his altruistic impulses, by way of collective action. Thus, most voluntary associations fall into one of two types, the expressive and the instrumental, or in some cases represent a combination of the two. An example of the former might be an amateur choral group; of the latter, a national health agency; and of a mixture of the two, a national sports society.

Voluntary associations have been credited with reinforcing our democratic political system in three ways. They distribute power widely in the society and permit the individual a share in it. They enable the ordinary citizen to understand better the processes of democracy by providing him a

means to participate in it in ways directly meaningful to himself. They provide a mechanism for the continual promotion of social change.

It is fundamental, therefore, to the true voluntary association, that it exists primarily to serve the *individual citizen*, providing him with a means for self-expression and collective action outside the aegis of the state. Voluntarism is, furthermore, based on the assumption that the maintenance of a democratic society depends not alone on the preservation of democratic governmental institutions, but also on the existence of nongovernmental institutions which serve a variety of democratic purposes outside the area of state action and responsibility.

On close inspection the quasi nongovernmental organization, although in some cases having volunteer workers associated with it, proves not to be a true part of the voluntary tradition. In carrying out its mission it may quite possibly serve the needs of the individual citizen. Certainly, in the case of the community action agencies, it often does. But in the final test it must serve public purposes, and if these do not coincide with the individual's purposes, government's interest must prevail. Moreover, the quasi nongovernmental organization does not have as a primary concern the safeguarding of the essential nongovernmental aspects of a democratic society. Its concerns are, rather, with the collective interests of the polity and with the discharge of government's responsibilities.

Thus, the quasi nongovernmental organization is at bottom as foreign to the tradition of voluntary association as is the formal structure of government itself. It has been created by forced draft and has not sunk its roots into the social structure as has the true voluntary association. No matter how much it is made to resemble the voluntary association, it can never be quite the same thing. It will always have a kind of "as if" or "as it were" quality to it, which leads us to attach to it the qualifying (but by no means disparaging) term *quasi*.

The Nonvoluntary Voluntary Association

In actual fact many voluntary associations today no longer meet the criteria for being truly voluntary, to such a degree have they become professionalized and bureaucratized, or so much has their *raison d'etre* become one of responding to governmental needs. Such voluntary organizations no longer exist primarily to serve the individual, and he has little or no say in their management. Nor do they serve particularly to strengthen the volun-

tary aspects of democracy. "Voluntary" organizations such as these are, in a sense, severed heads no longer related to a body. They are answerable not to a membership, but to themselves—that is, to paid professional staffs—and self-perpetuating boards of trustees. These organizations are legitimized in society by the social utility of their programs rather than by their status as the representative organs of defined bodies of the citizenry.

This type of "voluntary" organization can perhaps best be called simply a private service agency. It is in most instances a highly valuable instrumentality performing essential services for society. Nothing that has been said about it, therefore, should be regarded as deprecatory. It exists as simply a distinct type of private, nonprofit organization clearly distinguishable from the true voluntary association.

There would, on the face of it, seem to be considerable resemblance between the quasi nongovernmental organization and the private service agency in that neither truly belongs within the great tradition of voluntarism in American life. But the likeness is, in fact, more apparent than real. The basic difference between them is revealed if we ask where the ultimate power and the ultimate responsibility lie for each type of organization. For the private service agency they lie solely with its board of trustees. It is this body alone which has to see to it that the organization is adequately financed and well managed and that its programs are relevant to society's needs.

In the case of the quasi nongovernmental organization, however, power and responsibility are shared uneasily between a board of trustees and government. While in a showdown the trustees, it is true, could threaten to dissolve the corporation, government on its side has the power at any time to starve it to death financially, or use its financial power to shape the organization's program. And since financial power of this kind implies the acceptance of responsibility, a measure of the final responsibility for these organizations must inevitably remain in Washington, in a federal agency in the first instance, but ultimately with the Congress.

This is why all the organizations which make up this new genus, the defense advisory "not-for-profits," the agencies created by AID and the CIA, the regional educational laboratories, the majority of the OEO-supported community action agencies, and others are unlikely ever to become fully integrated into the private side of American life. However much they have the appearance of the typical private service organization, they will remain at bottom something essentially different. They are founded on the notion

of "maximum feasible participation" of the private citizen in their governance, but, when the test comes, "maximum" must, of course, fall somewhere short of the absolute power possessed by the trustees of the fully private agency.

Independence and Accountability

The most difficult problem which has arisen in connection with the quasi nongovernmental organization is how to reconcile its dual needs for independence and accountability to government. It was placed outside government by its originators for good reasons—among them that this would help ensure its freedom. Freedom was considered to be an essential requisite to the functioning of this new type of organization.

On the other hand, the quasi nongovernmental organization, as we have seen, serves public purposes and remains almost totally dependent on the federal tax dollar for its existence. This makes necessary a close accountability by it to government. It was, therefore, in a sense, born in a dilemma, and it has never escaped from the constant inner tension this has produced as it has been buffeted by the conflicting claims of independence and governmental accountability.

The case for independence rests on the simple proposition that for government to reap the real benefits that these organizations offer, they must be *genuinely* independent. If they are anything less than this, their effectiveness will be compromised. Among the benefits, as we have seen, can be a special capacity for experimentation, objectivity, the ability to recruit specially trained or talented personnel, flexibility, economy, and efficiency. Each of these benefits is a direct function of the quality of the management of these organizations, and this in turn is a function of the degree of independence which management is accorded. In short, able men know that freedom of action is essential to their own highest performance, and they will demand it. Having won it, they will resist all attempts by government to erode it.

There would appear to be three minimum freedoms which the quasi nongovernmental organization must enjoy if it is to have real independence: freedom of program, freedom of administration, and freedom of communication. It must be able to decide for itself (within the limitations set by the legislative authority under which its governmental sponsor must operate) what programs to pursue and what to abandon, and relative priorities among the former. And certainly it must have absolute freedom to deter-

mine the nature of any part of its total program supported by private funds. It must have the right to hire and fire employees and determine their duties, compensation and perquisites, and where and how they shall be quartered. Lastly, it must be free to reach its own conclusions on both technical and policy questions and, within the minimum limitations of security requirements, communicate these without restraint publicly or privately to anyone interested.

The case for governmental accountability derives ultimately from the representative character of our democratic political system. In such a system those who govern do so on the sufferance of the people and in turn are accountable to the people. The citizen, therefore, has an inalienable right to know what his government's policies and programs are and how his tax dollar is being used.

In the American system of a separation of powers, both the President and Congress are accountable to the people and both, through appropriate methods, must satisfy themselves that when government funds are given to a private organization under grant or contract they are used for the purposes specified and in ways that do not result in personal gain to any individual above fair compensation for his services.

Thus, on the face of it, both the executive and legislative branches of government would seem to have a positive duty to exercise direct supervision over the affairs of the quasi nongovernmental organization, for how else can they discharge their responsibility to the people? This is also to some degree the case whenever government grants public funds to a private organization or individual, no matter how small the amount. But in practical terms does not government's responsibility for supervision rise in relation to the proportion which government funds represent in an organization's total budget, reaching a maximum degree in the case of the quasi nongovernmental organization? It has seemed so.

Also relevant is the degree of complexity of the activity being supported by government funds. The more abstruse and technical this is, and the further it is removed from the personal experience of the responsible civil servant or interested member of Congress, the greater is likely to be the freedom from supervision accorded it. Finally, there is some evidence to suggest that an organization's degree of independence is related to its general prestige and standing. If these are high, government is likely to treat it with greater respect.

If, in meeting its responsibility for supervision, government is not satisfied with the performance of a quasi nongovernmental organization, it must either withdraw its support or persuade the organization to mend its ways. Government then faces a dilemma. It cannot very well do the former, because it has a moral responsibility for the organization's very existence. To put it out of business would in some cases simply be to deny government services which it needs, and in other cases would be a politically embarrassing admission of the failure of a costly program. To intervene directly in the organization's administration is, however, equally distasteful, because this can very quickly succeed in killing off the organization's independence—the very thing which government most needs it to have.

Thus, independence and accountability to government seem to be irreconcilable when the theoretical implications of each are made explicit. And yet, paradoxically, the concept of a quasi private agency created as the result of government initiative and financed by public funds seems to work and in many instances work well. It works because there are constraints operating on both the governmental patron and its organizational protégé which most of the time enable them to avoid head-on confrontations. Most importantly, there is a job to be done in the national interest with no readily apparent alternative way of getting it done. This makes for a willingness to compromise on both sides, so that the requirements of neither independence nor accountability are ever fully met.

The quasi nongovernmental organization exists, therefore, in a state of constant uneasiness. To keep it functioning, there has to be on the part both of Congress and the particular executive department to which the organization is related a constant appreciation of the high value which its independence has to the nation and the greatest restraint in encroaching on this. And in the quasi private organization there must be irreproachable standards of conduct and common sense in regard to such matters as salaries and perquisites. There must, furthermore, simply be a constant awareness of the need for accountability to the people whenever public money is involved, however complex or professional the business at hand or however burdensome the process.

Essential also to the continued viability of the quasi nongovernmental organization is a clear definition of its responsibilities in relation to those exercised by government. While the former should have some role in government policy formation, this is essentially the responsibility of the latter.

It is all too easy for government to abdicate this responsibility when an issue is extremely complex or highly technical. The danger here is that the nongovernmental partner will become so deeply implicated in government policy through having in effect been the creator of it that it will sacrifice its position of detachment and objectivity, and hence its ultimate independence.

Finally, nothing can reduce a quasi nongovernmental organization to ineffectuality more quickly than to have government exercise its responsibility for supervision at too detailed a level. The necessity to clear petty and routine decisions with Washington not only causes inefficiency, delay, and wasteful duplication of effort but also makes it almost impossible for the private organization to hold good staff. At bottom, this sort of practice corrodes the basis of trust which is essential if the relationship between sponsor and protégé is to prosper.

The Future

One can only speculate about the future of the quasi nongovernmental organization. It is at present a highly useful, perhaps even indispensable, adjunct to government and, all things considered, has been a success. And one must remember that it was established as a response to new social needs that were not being met in any other way. Yet the very ambiguity of its status is bound to be cause for disquiet.

Throughout our history we have had two ways of getting things done in this society, by voluntary action (either profit-making or nonprofit) or by direct government action. The dividing line between these two spheres has always been indistinct. But gradually, in response to powerful new forces, especially population growth, urbanization, the thrust of new technologies, and the changing nature of the economy, the area of governmental responsibility has, perforce, greatly expanded. Many Americans have regretted this, because of a deep-seated belief in the value of voluntary action and accompanying distrust of government. This belief is part of our history and of our mores. A natural reaction, therefore, has been to strengthen the failing voluntary sector with public funds as a way of redressing the public-private balance. We have been doing this in the past few decades on an ever increasing scale with federal grant and contract funds.

The quasi nongovernmental organization does not, however, represent simply an intensification of this trend. It is, as we have seen, something new because it emanates not from the private sector but from government. Nevertheless, the questions that it raises in an acute form are the same

questions which must ultimately be faced by every private organization receiving an increasing share of its income from public funds: Is it possible in these circumstances to keep one's independence? Is independence important?

The latter question can be answered only with a resounding affirmative. It *is* important to the nation's future—vitally so—that we maintain strong, independent, nongovernmental institutions.

But how to do this in the face of increasing dependence of these institutions on public funds is a question that has received too little attention. There is, therefore, an urgent need to turn all of our powers of political and social inventiveness to this task. As we do so, a good place to start will be with the quasi nongovernmental organization, for if we can find ways to protect its independence, then surely we can solve the problem of guaranteeing the freedom of the truly private organization.

High on the priority list will be to find ways to give financial security to the quasi nongovernmental organization, because financial stability is an essential ingredient of independence. Here, fortunately, there is a device that is already working successfully for the defense-related organizations: the fee paid to them by their governmental sponsors over and above contract costs and overhead. This fee, which averages around 5 per cent of contract value, is unrestricted money, to be used as the organization sees fit. The fee arrangement seems to be the best device presently available for bringing to a nongovernmental organization the general support, free of project obligations, which it so desperately needs. The device could, and should, be extended to all organizations of the quasi nongovernmental variety and possibly to private organizations generally which receive substantial government funds.*

Also to be examined will be all aspects of the issue of accountability, for the present uneasy arrangement could fall apart at any moment. It seems probable that in the interests of meeting new public needs of the nation through the device of the government-established, quasi private organization there is going to have to be considerable "give" on the side of traditional modes of accountability to government. In short, independence will have a higher value than this kind of accountability because of the direct

---

* The financial plight of nongovernmental organizations at large and their need for general, unrestricted funds in addition to project funds was discussed in an introductory essay entitled "The Nongovernmental Organization at Bay" that appeared in Carnegie Corporation's annual report for 1966.

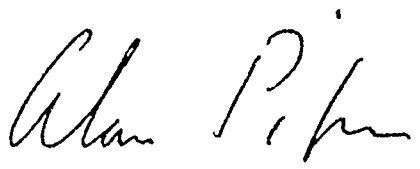
relationship that independence bears to quality of performance. And it is the latter that will matter most to the society.

To compensate for this "give," however, there will have to be an intensification in these agencies of the type of broad accountability to the public exercised by the staff and trustees of fully private, tax-exempt organizations generally. If this kind of accountability, which must include periodic public reporting, can be regarded as acceptable by government and the public, there is no reason why it cannot be fully as effective as accountability *through* government.

It is possible that because of the Vietnam war only a limited number of additional quasi nongovernmental organizations will be created in the months immediately ahead. A look into the farther range future, however, suggests the likelihood of a considerable growth of this type of institution, because the basic forces which have produced the present crop are more likely to become intensified than to diminish.

Also, it is none too early to consider what the mood of the country may be after the war ends. The American people may be eager then to turn to new and more satisfying endeavors and may show themselves ready to support major new governmental programs for the advancement of social welfare at home and economic and social development in Asia, Africa, and Latin America.

If this is so, there will be fresh pressure to create new quasi nongovernmental organizations to help do the job. Now is the time, therefore, before that pressure comes, for both government and the private sector to think this new organizational form through, in order to clarify its status, to strengthen it, and to find for it a more secure place in our society.



PRESIDENT