# Module I – Introduction & Background

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## **Powerpoint Slides**

The presentation prepared by the NCCS describes the varied nonprofit sector in the US. Most are involved in humanitarian purposes, although the largest category of "human services" might include non-humanitarian endeavours. Nonprofits contribute a non-insignificant amount to annual GDP and employ millions – it's not a small sector by any measure.

The operation of a non-profit scales up dramatically as the organisation scales up in size; revenue comes from service fees, either from government or private sources, from private donations, and public grants. With public funding comes the expectation of transparency, accountability, and meaningful results. Volunteers supplement the work of paid professionals.

# 8 Characteristics of Nonprofit Organizations

The authors identify eight distinct characteristics of non-profits in the hope of helping outsiders better understand how best to work with them. Because non-profits are not just any other job, people working and volunteering their time for them don't necessarily behave 'realistically' compared to workers in the normal private sector. Furthermore, they face a different array of challenges and obstacles to overcome, both in human resources and what they are expected to accomplish.

### Distinctive Contributions of INGOs

International NGOs leverage their transnational networks to fill niche roles that domestic NGOs cannot. They excel at consciousness-raising in the Global North, both to make the public aware of problems abroad and to mobilise governments to act. With a

foot in the field and another in the political sphere, they pass experience and know-how on to policy-makers from practitioners.

The short-term donation-funding model of INGOs stands at odds with the requirements of long-lasting change; most are constantly seeking funding just to keep the lights on. In military conflict zones, their mission cannot realistically remain apolitical. INGOs often do not coordinate well with one another, even if they oversee transnational action networks of their own. As TANs, INGOs can sometimes slip into the role of a patron to smaller NGOs rather than an mission organisation in its own right, which undermines "downward" accountability as "upward" accountability (ie, keeping up appearances in the Global North) is prioritised. Lastly, INGOs encounter hostility from many of the same people they are trying to help *precisely because* they are international. Some of this hostility is justified – obviously, nobody wants foreigners meddling in their country's affairs – but the lack of accountability of well-endowed INGOs which rely on powerful First World governments for grants is one area where INGOs must acknowledge and work to improve their public standing.

# Global Civil Society

The chapter charts illustrate many of the points made in the NCCS slideshow brought up. Non-profits should not be written off as part of the global economy in terms of production, employment, or finance. This is no doubt because Nonprofits supplement the failure of states at providing basic human welfare services to their populations – not just in the global south, but in industrialised nations as well. They operate worldwide in many diverse fields, and the trend over time has been the "de-Americanisation" of NGOs. Nonprofits generate their revenue primarily through fees and public support rather than philanthropic donations, although some country's non-profit sectors skew more towards public grants than others. For volunteer-centric non-profits, philanthropy accounts for much more revenue. In the '90s, the non-profit sector's employment grew faster than the overall economy, mostly in health and social services.

I can't help but notice how all of this coincides with the neoliberal turn – and how, shockingly, private charity of the wealthy was never as important as transactional fees or public support to keep non-profits running.

#### Worth - Overview of the Non Profit Sector

Beginning with a survey of the Non-profits present in DC, it becomes immediately clear that the line between non-profit and for-profit is difficult to discern; both are closely

entangled with one another, the state, private philanthropy, and customers.

The author traces the history of modern nonprofits from its origins in the Western bourgeoisie during the industrial revolution to the high watermark of social liberalism after the Second World War (even if he says it starts in the Roman Christian tradition, this synthesis only occurred in the Modern era). The neoliberal austerity policies corresponded with the growth in non-profit activity at the end of the century. He distinguishes between charity, philanthropy, and voluntarism; modern non-profit work involves some amount of all three. The sector has thus always been a product of the professional managerial class and operates in line with the middle-class sensibilities regarding the role of the individual in society and the purpose of wealth (to be managed, naturally!).

The term 'nonprofit' is a misleading label, since non-profits are allowed to and often do turn a profit; rather than generate profit for the benefit of a proprietor or stockholders, the profits are to be reinvested in the mission or managed in trust on the organisations behalf. Nonprofits are not necessarily charities nor philanthropies; nongovernmental orgs are a subbset of nonprofits, in that they fulfill what ought to be the role of the state or overtly seek to influence policy while also not generating profit for a proprietor.

Nomenclature aside, there are substantial differences between the various genera of the sector. The NCCS & IRS both have their own ways of classifying the various non-profit entities in the US; Worth draws a distinction between public charities, private foundations, and advocate organisations. Salamon's dichotomy splits the landscape into public- and member-serving orgs: the latter being more akin to a trade union. Dees et al. propose a spectrum running the gamut from purely philanthropic to purely commercial, upon which nonprofits can be located. Recently, a "fourth sector" has developed, hybridising private, public, and social work to "maximise social beneift" while earning more capital than it bleeds.

Within the discourse, many are not thrilled with the professionalisation and commercialisatino of non-profit work. Business methods may improve operational independence at the expense of the mission's priorities. Others argue that empowerment rather than redistribution makes lasting change. If you ask me, I see no reason why it has to be one or the other.

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#### **Issue Briefs**