The Governance of Non-Profits and their Social Impact Evidence from a Randomized Program in Healthcare in the Democratic Republic of Congo

Author:Anicet Fangwa, Caroline Flammer, Marieke Huysentruyt, Bertrand Quelin

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How can non-profit organizations improve their governance to increase their social impact? This study examines the effectiveness of a bundle of governance mechanisms – consisting of social performance-based incentives combined with auditing and feedback – in the context of a randomized governance program conducted in the Democratic Republic of Congo's healthcare sector. Within the program, a set of health centers were randomly assigned to a governance treatment while others were not. We find that the governance treatment leads to i) higher operating efficiency and ii) improvements in health outcomes (measured by a reduction in stillbirths and neonatal deaths). Furthermore, we find that funding is not a substitute for governance – health centers that only receive funding increase their scale, but do not show improvements in operating efficiency nor health outcomes. Overall, our results suggest that governance plays an important role in achieving the non-profits' objectives and increasing the social impact of the funds invested.