Why Donors Donate

Disentangling Organizational and Structural Heuristics for International Philanthropy

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The global crackdown on NGOs & the turn to private aid

Human rights groups face global crackdown 'not seen in a generation'

Laws affecting funding, requiring registration and prohibiting protest are among ... that are making it difficult for NGOs and other campaign groups

Resisting the Global Crackdown on Civil Society

July 11, 2013

FREEDOM HOUSE

Aid   how change happens   human rights   NGOs   Politics

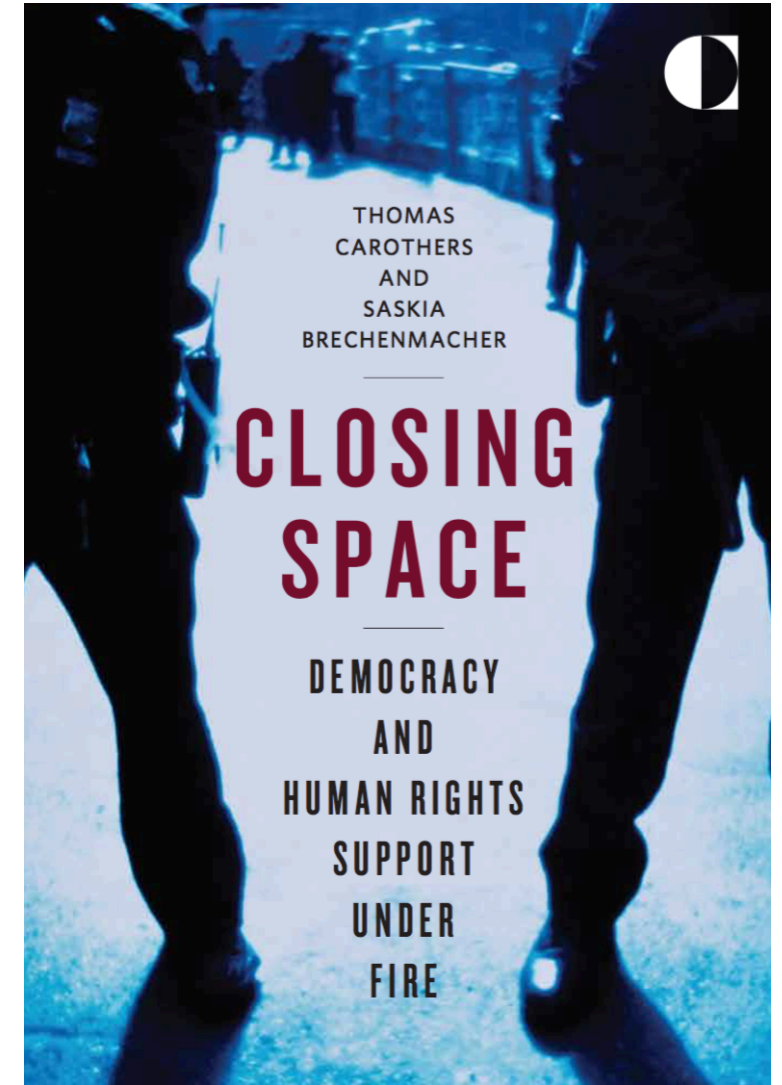5 trends that explain why civil society ...ce is under assault around the world

August 25, 2015
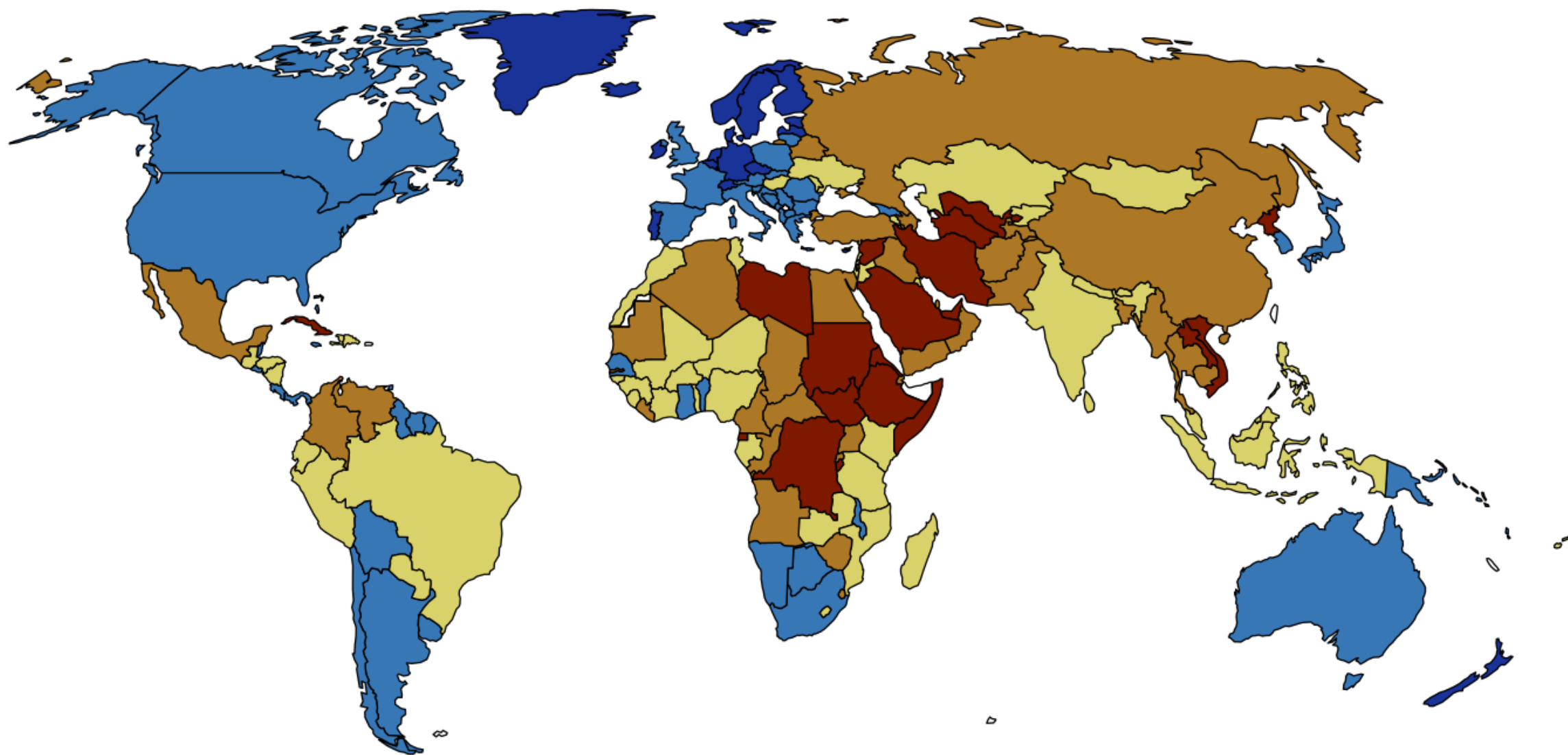
The Economist

World politics   Business & finance   Economics   Science & technology   Culture

NGOs in China

Pummelling the little platoons

THOMAS CAROTHERS AND SASKIA BRECHENMACHER

CLOSING SPACE

DEMOCRACY AND HUMAN RIGHTS SUPPORT UNDER FIRE

Civic space   Open   Narrowed   Obstructed   Repressed   Closed

Change in funding sources

Many INGOs moving away from government and foundation sources

Increased reliance on private donations

Private donors have different preferences and priorities

Organizational, structural, & individual determinants of philanthropy

Donor shortcuts

Donors use specific heuristics when deciding where to donate

Accountability

Overhead

Transparency

Personal impact

Organizations have some control over these

Structural heuristics

Broader structural issues might influence donors too

Social trends

Political trends

Host country politics

Organizations have less control over these

Main questions

Do individual donors use structural factors as heuristics?

How do organizational, structural, and individual factors interact when deciding to donate?

Conjoint experiment

Intuition of conjoint analysis

Measure the most salient attributes of a product (or organization)

Present random combinations of attributes and features; disentangle effects statistically

Attributes and features

Organizations

Amnesty International

Greenpeace

Oxfam

Red Cross

Issues

Emergency response

Environment

Human rights

Refugee relief

Practices

Transparency

Accountability

Funding

Many small donors

Few large donors

Government grants

Government relations

Friendly

Criticized

Crackdown

Attribute	Option 1	Option 2	Option 3	None
Organization	Greenpeace	Oxfam	Red Cross	—
Issue area	Environment	Refugee relief	Refugee relief	—
Transparency	Doesn't engage in transparency	Engages in transparency	Engages in transparency	—
Accountability	Doesn't engage in accountability	Doesn't engage in accountability	Doesn't engage in accountability	—
Funding sources	Handful of wealthy private donors	Government grants	Handful of wealthy private donors	—
Relationship with host government	Under crackdown	Criticized	Criticized	—

Hundreds of possible combinations

$$4 \times 4 \times 2 \times 3 \times 3 = \mathbf{288}$$

$$N = 1,016$$

No respondent saw the same combination

Statistically disentangle effects with multilevel hierarchical Bayesian model
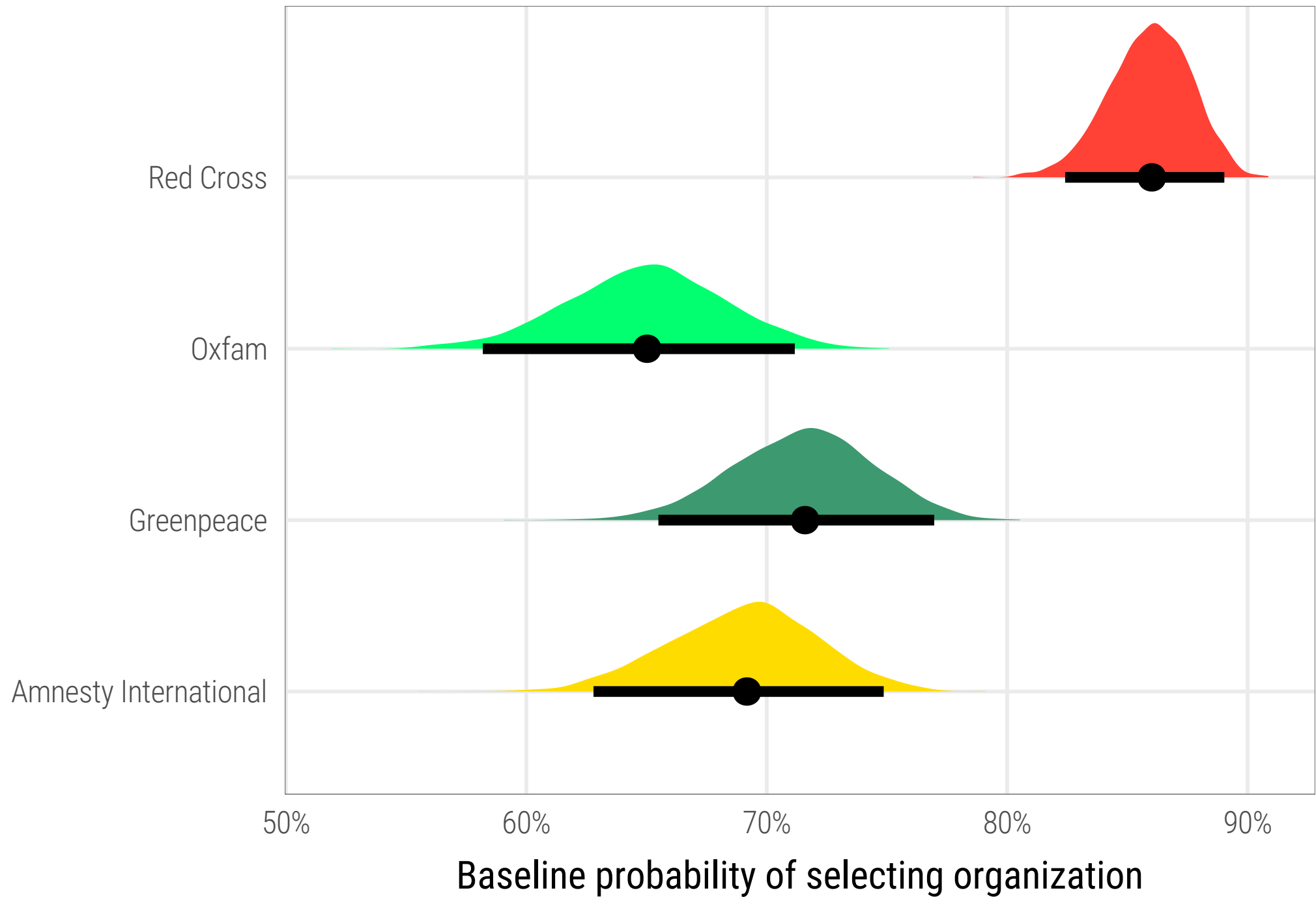
Results

Hypotheses

Donors prefer accountability and transparency

Donors prefer noncontentious issues
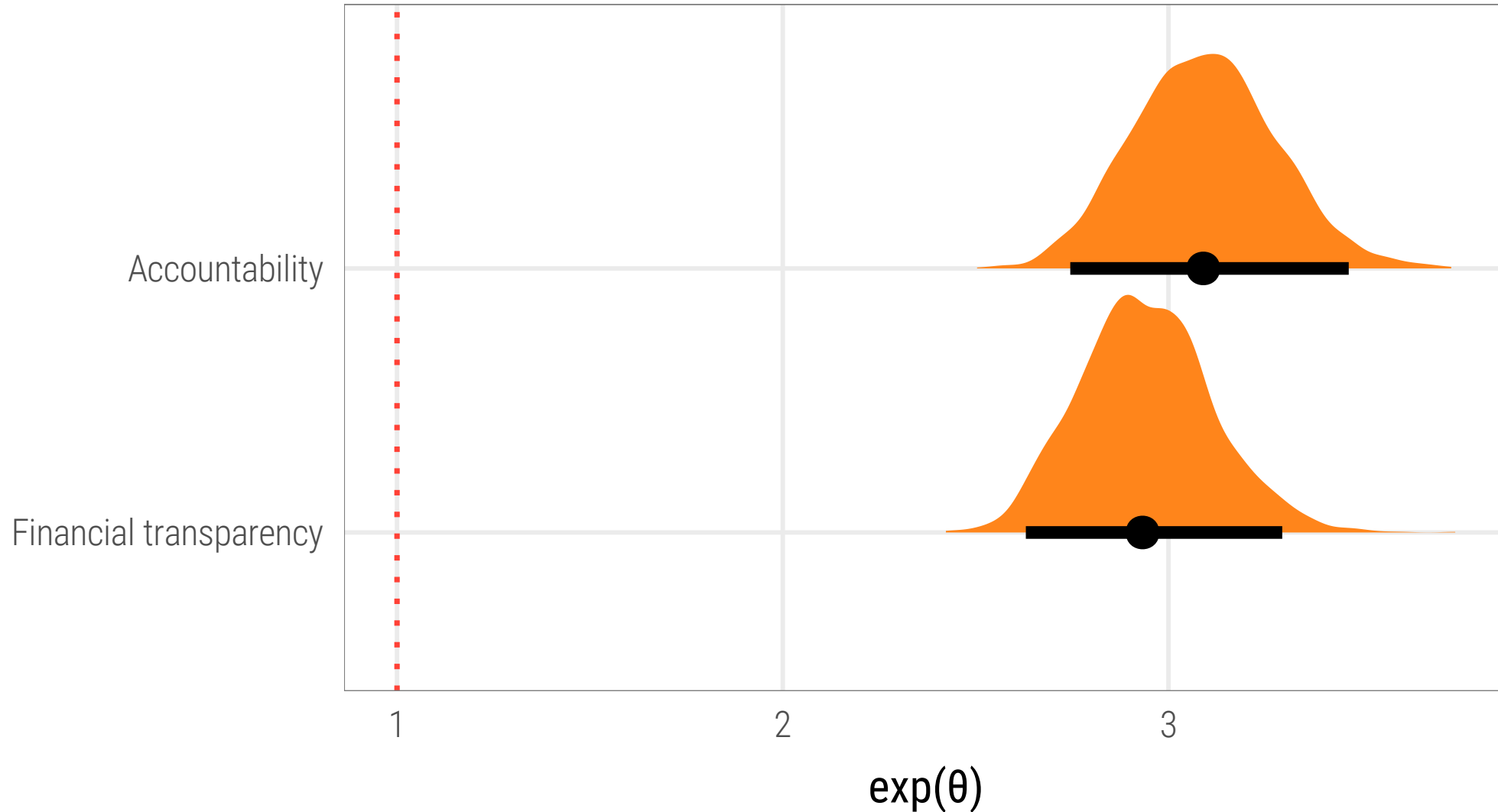
Donors prefer private funding

Donors more likely to give to legally besieged organizations

Donor characteristics influence all these ↑ differently

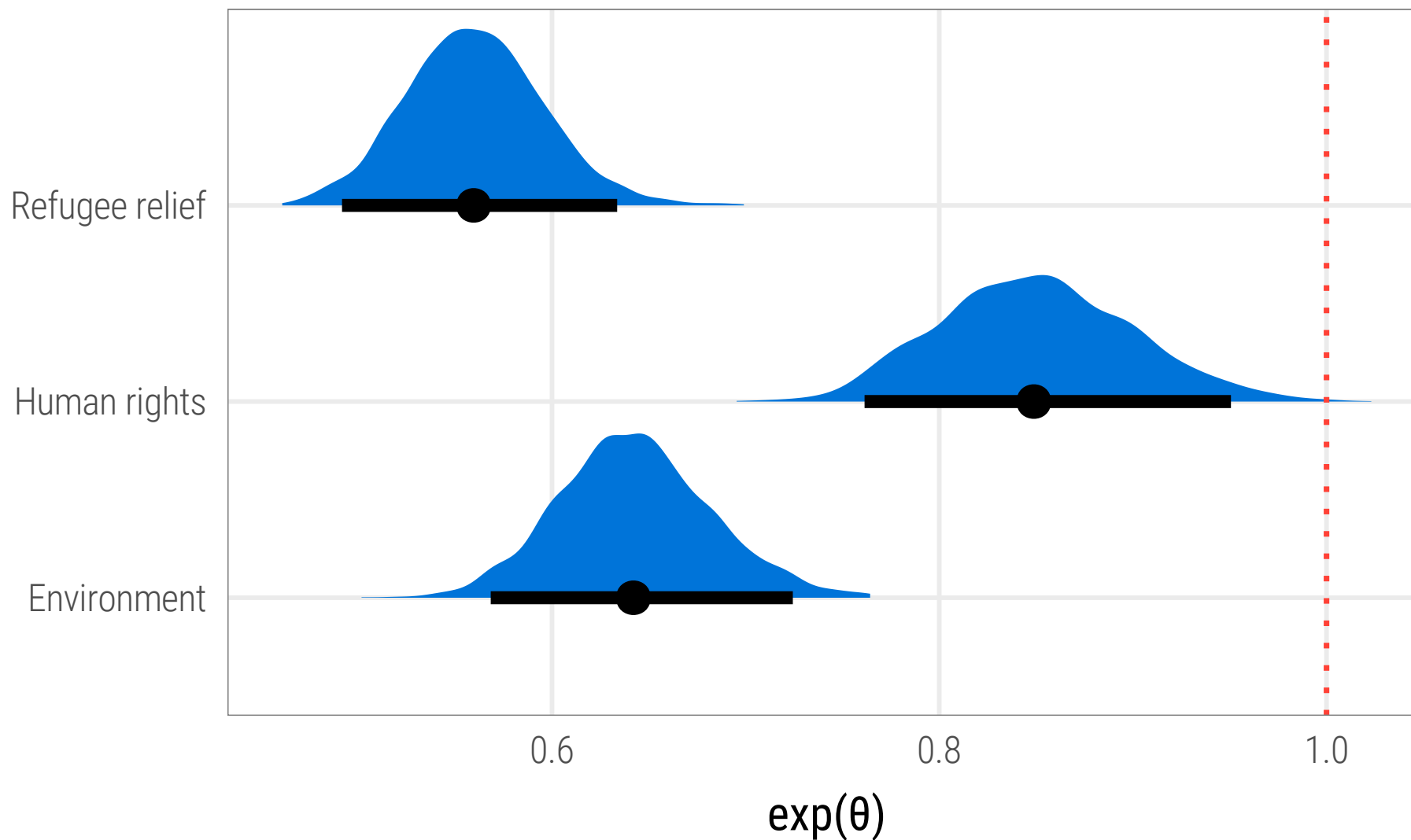Baseline probability of selecting organization

Organizational practices

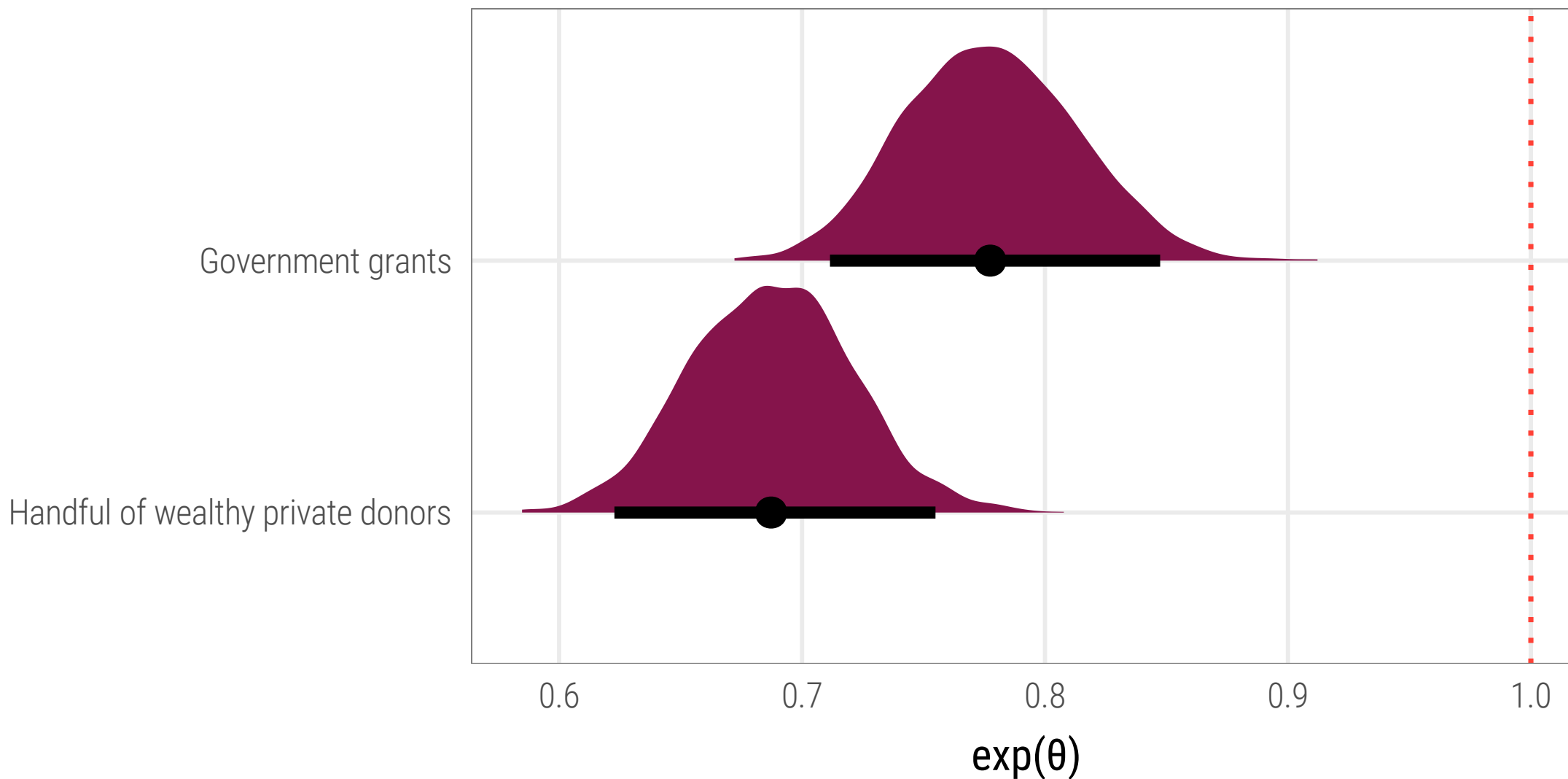Reference groups = no accountability; no transparency

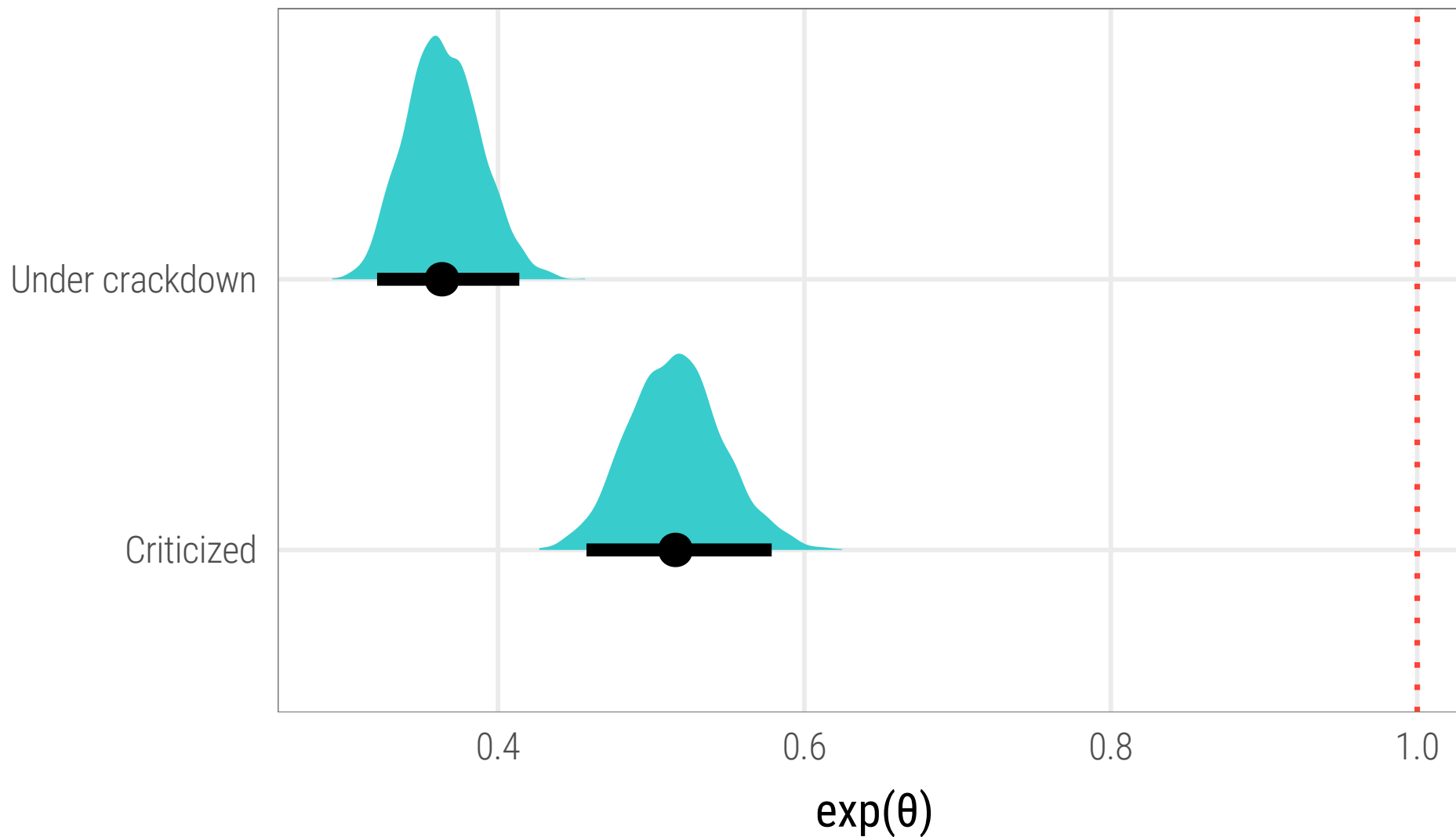**Issue area**

Reference group = emergency response

Funding sources

Reference group = many small private donations

Relationship with host government

Reference group = friendly relationship with government

Under crackdown

Criticized

exp(θ)

to charity and voluntarism

Red Cross
Oxfam

Refugee relief

Environment

Financial transparency

Handful of wealthy private donors

Under crackdown
Criticized

Importance of trusting charities
Trust charities
Frequency of donation
Amount of donation
Volunteered
Volunteer frequency
Personal involvement in activism
Family involvement in activism
Membership in activism
Membership in church
Membership in sports
Membership in art, music, or educational organization
Membership in labor union
Membership in political party
Membership in envrionmental organization
Membership in professional association
Membership in humanitarian organization
Membership in consumer organization
Membership in other organization

Coefficients   ■ Negative   ■ Not Significant   ■ Positive

Thus...

Donors rely on organizational heuristics

Donors also rely on structural heuristics

These interact in unique ways
(that we still need to disentangle)

The global crackdown on NGOs matters for donors