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Non-Governmental Organizations and Foundations

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Abstract

Defining non-governmental organizations (NGOs) and foundations, the entry outlines a global picture of the non-profit sector, emphasising the activities privileged in each major region through the analysis of the actions of NGOs and foundations. Then it examines various experiences and trajectories of these organizations' development at the local and national levels. Finally, it critically reviews the actions of international NGOs and foundations that operate at the inter-country or global level. It concludes on the importance of a real partnership between public authorities, NGOs and foundations to cope with the 21st century's main societal and global risks.

Keywords: NGOs; non-profit sector; foundations; government partnership; public services; INGOs

Introduction

In many developed and developing countries, non-governmental organizations (NGOs) and foundations interact with national and local governments to provide public services or to incite public authorities to support their causes in order to improve the capacity of both governments to respond to societal challenges. Some of them deliver services or advocate cross-country or at the international level.

The term 'non-governmental organization' has several meanings. It is often used as an equivalent of an association (see Entry "Associations and associationalism"). The United Nations (UN) proposes a narrower understanding of this concept; according to its 1945 Charter, article 71, an NGO must have the following characteristics as conditions of recognition by the UN:

- Not profit-making or not distributing its eventual surplus
- Independent from the direct control of government at any level, though often receiving public funding
- Oriented to the public good, not member interest

In addition, in most countries NGOs have democratic governance based on the 'one member, one vote principle. They are not constituted as political parties and their action is nonviolent; they are not criminal groups such as mafias (Willems 2006). The narrowest understanding of the term NGO is limited to organizations operating in several countries. In the following, the intermediary term will be used while international NGOs will be called INGOs.

A foundation (or a charitable trust in Anglo-Saxon countries) is an organization that devotes private funds to a public purpose of its choice. It is a non-membership-based organization, therefore its governance is either the founder itself or a co-opted board rather than the democratic governance of NGOs. The other criteria are shared with NGOs: foundations are nonprofit, private, independent, and public good-oriented entities. Sometimes foundations are included in the broadest understanding of NGOs (Anheier 2001).

NGOs and foundations are part of the social economy because they undertake an economic activity even when run solely by volunteers, which is the situation in most developing countries and in many developed countries' nonprofit sectors. Most of them deliver welfare services, while advocacy NGOs provide information services for their members or the public at large. Operating foundations are producers of welfare services, while grant-making foundations change income or wealth distribution (Archambault 1986).

This entry outlines a global picture of the nonprofit sector, highlighting the privileged activities in each important region through the analysis of NGOs and foundations. It also examines the different experiences of these organizations at the local and

national levels. The entry critically reviews the activities of international NGOs and foundations operating at the inter-country or global levels with a focus on the challenges, limitations and opportunities. It concludes with the importance of a real partnership between authorities, NGOs and foundations to address the key societal and global problems of the twenty-first century.

1. Panorama of associations and foundations worldwide

As said above, NGOs have several definitions which is why empirical data, if any, deal with associations, and the legal status of most NGOs. Statistics for foundations are better in the USA and European countries. The most comprehensive data on the nonprofit sectors of 41 countries, the population of which is more than half of the world's population, are the following:

- On average, the full-time paid or volunteer employment in the nonprofit sector is 5.7% of the active population of these countries - the same percentage as the construction industry. The volunteer share of this workforce is 41%. For example, there are 3,456,000 regular voluntary workers in charities in England and Wales; a further 944,000 trustees can be added to this estimate.
- The average share of this workforce employed in welfare services is 59% (education, social services, health, development, and housing, in decreasing order). The share of expressive activities, such as culture and recreation, religion, civic, and advocacy is 36%.
- On average, half of the resources of nonprofit organizations come from fees, dues, and sales, 35% from public funding and 14% from households or corporate giving.

Of course, there is a high dispersion around these averages: the civil society workforce ranges from 16% of the active population in the Netherlands to 1% in Poland, Pakistan, and Russia, and the volunteer share ranges from 75 % in Tanzania and Sweden to 19% in Japan, Hungary, and Brazil. Welfare services are dominant in most countries but expressive activities are prevailing in Eastern and Nordic Europe. Commercial resources are the main part of the income of NGOs in most countries. However, in continental Europe, where the partnership with public authorities has been developed for decades, public funding affords the main part of their income (Salamon et al. 2017).

Within the nonprofit sector, the foundations of the United States and Europe are the most powerful, but also the most contested, organizations. In 2015, there were 86,000 foundations in the US and 147,000 in Europe. Their assets were \$868 billion in the US and €511 billion in Europe. Their annual giving is nearly the same in the US and Europe (\$63 billion and €60 billion) (Foundation Center 2021, European Foundation Center 2021). Foundations are more recent in Europe than in the US; for example, 70% of German foundations were created after the 1990 reunification. They are powerful in Italy, Germany, and the Netherlands and weak in France, Poland, and Ireland. Their principal activities are: religion (UK and Netherlands), international solidarity (Belgium, Germany, Switzerland), and social services (France and Spain).

NGOs and foundations exist everywhere in the world. Their density is often seen as an indicator of democracy. However, even in dictatorial or authoritarian countries, NGOs are tolerated provided they do not engage in anti-establishment politics. In these countries, the public authorities closely control the creation and decisions of many NGOs which therefore cease to be independent. These organizations are often called Governmental NGOs (GNGOs) and they are often instruments of the social control of citizens, such as in China.

In many countries, NGOs and foundations deliver public services in addition to central or local governments. These various experiences and trajectories are discussed in the following section.

2. NGOs and foundations providing public services at the local and national level

Historically, NGOs have been pioneers of public services and they continue to play this role in many developing countries today. In these countries, local, national, or foreign NGOs provide education, health, and social services as well as utilities. For example, in South Morocco, development NGOs have installed the electricity connection in many villages and modernized the traditional irrigation network. Service-delivery NGOs provide public goods and services that governments of developing countries are unable to provide due to a lack of resources. They may be contractors or collaborate with government agencies to reduce the cost of public goods. In Continental Europe, services for people with disabilities were often created by NGOs, and governments developed partnerships with these NGOs after both world wars. According to this partnership, NGOs deliver residential or day-care services or work integration to people with physical or mental disabilities, while the local or central governments pay the bulk of their expenses through grants or contracts. The relative penetration of the nonprofit sector into education and health systems follows from the historical relations between the government and the Catholic Church, which has been a pioneer in these domains since the Middle Ages. Consequently, there exists a high penetration of NGOs in Belgium and the Netherlands where these relations were peaceful and a lower one in France where government/Church relations have been crossed by recurring conflicts, especially in education; however, these conflicts are now appeased.

Currently, the partnership between NGOs, operating foundations, and the government is not confined to continental Europe; it is beginning in many developing countries as well. Even in the United States, the country that champions liberalism, private non-profit hospitals are publicly funded partly through the Medicaid and Medicare programs and the Ivy League universities, most of which are foundations, and partly from public research contracts. Where the welfare partnership is ancient and equal between both partners, a co-construction of social policies is possible where NGOs bring their knowledge of the population concerned and of the best actions to privilege, while the government brings its ability to obtain money through taxes and its attention to the continuity of the public service and equal access of every concerned citizen (Brandson et al. 2018). The advantages and disadvantages of sharing welfare services between NGOs and public authorities are different locally and nationally.

2.1 Nonprofit organizations delivering welfare services at the local level

Locally, a good relationship between NGOs and public authorities is more likely because each partner has a good knowledge of the other, namely the results of its action, its efficiency, and financial situation. That is why decentralized countries are more likely to develop local welfare partnerships. However, an example of the advantages of such a partnership is given in a centralized country in Box 16.1.

Box 16.1: Chartreuse de Neuville, a win-win partnership in France

Chartreuse de Neuville is an association devoted to heritage preservation that is currently restoring a fourteenth-century deserted and dilapidated monastery. It partnered with the regional and local authorities to rebuild these beautiful ruins. The association created a Work Integration Social Enterprise (WISE) to train young unemployed people with no skills in heritage restoration, allowing it to receive public funding. Artists have residencies in the rebuilt parts of the monastery and shows are regularly put on for the public. In addition, some parts of the monastery are rented for professional and family events. Chartreuse de Neuville is a real attraction for tourism in the Northern area, a disadvantaged French region.

Source: (La Chartreuse de Neuville Various years, Le Labo de l'économie sociale et solidaire n.d., Interview with the CEO for EU-Russia Report 2020 in 2020)

Disadvantages of a local partnership also exist: proximity can induce conflicts of interests in public procurement and also between NGOs or operating foundations and their suppliers. Local governments can seek the votes of the employees, volunteers, and beneficiaries of these organizations for their re-election; it could also condition their financing by control of the organizations' boards by its representatives. When the political colour of the local government changes, abrupt cessation of public funding may occur, but this is more likely for advocacy NGOs than for those who manage a public service by delegation.

2.2 Nonprofit organizations delivering welfare services at the national level

NGOs and operating foundations provide educational, health, and social services nationally as well as locally. The sharing of these welfare services provisions between central and local governments and civil society organizations obviously depends on functions that have been devolved to local governments as well as on the level of externalization or subcontracting that authorities consider being relevant. This sharing is variable across countries, and depends on the advantages and disadvantages of central governments to outsource to civil society organizations (CSOs). The benefits are the reduction of the cost of public services (as salaries are lower in NGOs, or nonexistent for volunteers), and the reduction of public employment, considered too high in Nordic countries and France. CSOs also have a better knowledge of minority populations. Lastly, the involvement of a large part of the population is required in a crisis situation such as the Covid-19 pandemic. Another example of civil society involvement is given in Box 16.2.

Box 16.2: The German partnership for 2015 migrants inclusion

In the years 2015-2018, Germany welcomed about one million Syrian and Afghan refugees. 'Wir schaffen das', said Angela Merkel, and five years later Germany did it: half of the migrants had jobs and most of them spoke German well or just about well. The distribution of refugees among the Länder was as a proportion of their population but also of their per capita income, with the richest Länder receiving more refugees than the poorest. Civil society's involvement was strong. In addition to the Catholic and Protestant parishes and existing NGOs providing social services, 50,000 new NGOs were created by volunteers to shelter refugees, distribute clothes, introduce the German language, or help with administrative procedures. In the Fall 2021 election, the migrant issue was no longer a major one in the debates among the leaders of the diverse political parties.

Source: (L'Express various years, Le Point. various years; Interviews with anonymous German interviewees)

But the drawbacks of delegating public services to NGOs or foundations are also obvious: amateurism and particularism are common critiques of NGOs; operating foundations may be accused of deepening social inequalities, as is the case in education for expensive American universities or private schools in many developing and developed countries; foundations running hospitals may provide better quality and quicker healthcare for the richest while public hospitals welcome the rest of the population. Of course, social services for the most disadvantaged are not the subject of this criticism, but they are accused of keeping the poor in poverty. This ambiguity of NGOs and foundations seems to be reinforced when they operate internationally.

2.3 The ambiguous role of NGOs and foundations at the global level

International NGOs (INGOs) or foundations have the source of their funding and their programs in different countries. The most common ones link a developed country with one or several developing or underdeveloped countries; in this case, they are tools of private help to development. The best example of such an organizations is the Bill and Melinda Gates Foundation (BMGF), the largest foundation in the world devoted mainly to health and agricultural development. Some INGOs are committed to reinforcing links between two or more northern and southern countries to advocate for specific causes or interests. An example is given in Box 16.3.

Box 16.3: La Main à la Pâte, a French foundation that is becoming international

During the early 2000s in France, it was clearly apparent that science education in primary and middle schools was not up to what the twenty-first century demanded. Initiated by the Nobel laureate Georges Charpak, La main à la pâte recommends that teachers implement an inquiry-based method with pupils and provides training to teachers in this active pedagogy. Over the last decade, it has spread internationally. Today, La main à la pâte is cooperating with more than 40 countries and 3 regional networks (European Union, Southeast Asia, and Latin America) and its establishment in Africa has begun. It receives grants from interested governments and large European and American foundations, such as the Siemens Foundation and the Smithsonian Institute.

Source: (Charpak, Lena, and Quere 2005, Fondation La main à la pâte n.d., interview with Pierre Léna, the main founder of EU-Russia Report in 2020)

Some INGOs are confirmed by the UN for consultation, and the European Union (EU) has similarly confirmed NGOs. According to articles 70 and 71 of the UN 1945 Charter, 'specialized agencies, established by intergovernmental agreement', such as the Food and Agriculture Organization (FAO) or the World Health Organization (WHO), could 'participate without a vote in UN deliberations', while a confirmed NGO could have 'suitable arrangements for consultation'. (United Nations 1945)

Therefore, there is a hierarchy between these two types of organizations, because deliberation is nearer to ultimate decisions than is consultation

Confirmed INGOs and some other organizations can be used by northern countries or international organizations as transfer channels of public aid to development when the governments of those countries are considered corrupt or are not internationally recognized, such as the Taliban government in Afghanistan. For example, the European Community Humanitarian Office program (ECHO) is mainly oriented toward INGOs. Conversely, some large foundations, mainly BMGF, can also fund international public organizations such as FAO, WHO, and UNICEF for specific projects. Of course, public aid to development, \$152 billion, is more than twenty times private aid to development.

INGOs or foundations are either operating or campaigning. The operating ones affect small-scale change, achieved through development projects such as affording sanitary water to the population of a village or building and running a hospital for a larger area. Service-delivery INGOs provide public goods and services that governments of developing countries are unable to provide due to their lack of resources. Campaigning INGOs aim to enact broader change through influence on the political system. Once INGOs do decide to influence public policy, they organize, in broad coalitions, specifically for this purpose. These umbrellas, networks, or caucuses are numerous to advocate for development, humanitarian, or environmental issues. An example is the World Social Forum, a rival convention of the World Economic Forum, an annual meeting focused on capitalist enterprise interests held in Davos, Switzerland. Similarly, World Social Forums, gathering hundreds of INGOs, have parallel meetings every year to influence the Conferences of the Parties (COP) where representatives of the governments of most countries discuss climate change and other environmental challenges.

Foundations and INGOs have a positive impact on developing countries and the alleviation of extreme poverty in the world, but they are also the subject of significant criticism. These praises and criticisms can be illustrated by the Bill and Melinda Gates Foundation, which alone represents half of the private philanthropy. In the field of health, the BMGF, in cooperation with the WHO and the GAVI Alliance, nearly eradicated poliomyelitis, cured VIH holders and gave access to vaccines to 55 million children and family planning in many African and Asian countries. In the field of agriculture, this foundation was an efficient partner of the 'green revolutions' in India and some African countries. However, critics outline that the assets of the BMGF (\$50 billion) are higher than the GDP of many poor countries and that its endowment is frequently invested in companies whose impact is inconsistent with its objectives

because they are harmful to health and the environment. Conflicts of interest exist also with vaccine producers and Monsanto in Indian and African green revolutions.

More generally, some critics consider INGOs and foundations as part of a neo-colonial system to maintain the domination of northern countries over the less-developed southern countries. They play the role that nineteenth-century missionaries played as Trojan horses of the predatory northern companies. Less radical critics outline that international nonprofit organizations have a tendency to impose their system of values on countries with other traditions. In another context, the American foundations arrived in the countries of Eastern Europe as soon as the fall of the Berlin Wall; these foundations influenced eastern countries to adopt health and education systems more similar to the American than the European ones. The Trust for Civil Society in Central and Eastern Europe contributed also to the emergence of NGOs and foundations in post-Communist countries

Conclusion

The European Union, where the partnership between government and the nonprofit sector is a dominant pattern, is in the best cases able to combine the strengths of both partners. On the government side, we can note a high legitimacy to decide, due to periodic elections, the weight of resources raised by the tax, the ability to create rights to benefit public services and to verify the qualifications of employees delivering these services, and finally the concern to maintain equality between individuals and territories. On the nonprofit side, the strengths of NGOs and foundations are their roles in the detection and response to new needs in the field of health, research, education, culture, and social services, because they are nearer to the beneficiaries and more attentive to the diversity of populations. They are therefore quicker than the government to respond to emergency issues such as earthquakes, floods, or other disasters. Having to please neither their shareholders as corporations nor voters as central or local governments, NGOs and foundations can experiment with new and unpopular fields, for example, alternatives to jail. They can also personalize public services through volunteer accompaniment and avoid the effects of silos of public social policies.

At the global level, the partnership with northern NGOs or foundations is also possible when the government of the host country is reliable and not corrupt. These organizations consider more and more that they have to cooperate with the local NGOs to avoid the above-noted criticisms of neo-colonialism and ignorance of the history, religions, and culture of the developing countries.

Finally, the fight against the great challenges of the twenty-first century, such as poverty of people and countries, unemployment, the marginalization of part of the youth, the ageing of society, climate change and environmental degradation, racism, xenophobia, and all other forms of discrimination, presupposes collaboration between the government and the specialized SSE organizations. Reducing social and cultural inequalities for more inclusive growth and coping with the migrations of large populations also most often requires an effective partnership between public authorities and NGOs and foundations.

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