Nonprofit organizations form the front line of humanitarian service throughout regions of the world, and their ranks are growing. Researchers observed a marked increase in the number of all types of international nongovernmental organizations (INGOs) following the collapse of the Soviet Union (Anheier & Themudo, 2005; Ottaway & Carothers, 2000; Terry, 2002). Since 1990, the number of nonprofit organizations engaged in trans- or multinational activity has nearly doubled, from about 17,000 to almost 30,000 in 2001 (Anheier & Themudo, 2005). A growing number of INGOs are engaged in humanitarian or development efforts, providing hunger relief, health care, housing and a host of other services. More nongovernmental organizations are intervening to provide aid and support in areas of conflict and crisis than ever before.

An INGO is defined as an organization that “makes significant operating expenditures across national borders” as it provides services or programs in a foreign or “host” country from its base in a donor nation (Anheier & Themudo, 2005). As the term suggests, these organizations enjoy some degree of autonomy from government, particularly since the financial support for INGOs comes largely from private donations. A 2005 study by Kerlin & Reid (2005) reported that private contributions to U.S.-based INGOs far exceeded revenue from either government grants or service fees. The reliance of INGOs on private giving contrasts with nonprofit organizations as a whole globally that earn most of their income from fees for the services and programs they provide (Salamon & Sokolowski, 2004).

INGOs are regulated to varying degrees by their donor nations, of course. In the U.S., such organizations are subject to tax laws that govern the charitable activities of all nonprofit groups. Despite their “non-governmental” moniker, however, some INGOs (particularly
those that engage in humanitarian aid or development) utilize funding from national
governments and international bodies to provide their services. The relationship between
INGOs and donor governments is evolving, and Anheier and Themudo (2005) attribute much
of the recent growth of INGOs in the past decade and a half to changes in the way that
governments provide aid. Voluntary nonprofit organizations are frequently viewed as having
greater credibility and being more attuned to local needs.

The United States, in particular, utilizes nongovernmental organizations rather than
engage in service provision directly or provide extensive humanitarian funding to host
nations. These groups register with the U.S. Agency for International Development as
Private Voluntary Organizations (PVOs). In fact, the U.S. gave more than twice the amount
of aid assistance in 2000 ($4 billion) through nongovernmental organizations than was given
directly to foreign governments (est. $1.9 billion) (United States General Accounting Office,
2002). Furthermore, federal government funds awarded to these agencies is seen as a way to
leverage additional private funding, as the 2006 Voluntary Agencies (“VolAg”) report from
USAID highlighted in some detail:

USAID values PVOs as partners in carrying out long-term, sustainable development
and humanitarian relief activities. USAID recognizes the independent mission of
PVOs, as well as their role in implementing USAID’s programs. …As data presented
in this report indicate, the private resources devoted to international development by
the PVO community exceed U.S. Government support. During fiscal year 2004,
registered U.S. PVOs received $14.9 billion in annual private support. This was
almost six times the amount they received in USAID support during the same
period...(pp. 4-5)

This paper asks, how is this public-private interaction reflected in the shape of donor
country aid policy? A host of questions stem from this basic concern. To name just a few:

- Are private organizations engaged in a true partnership with government? Or
  are these groups mere “handmaidens” in the implementation of humanitarian
  aid or development policy? In other words, how autonomous are these
organizations that provide aid and development assistance, as USAID materials announce, “from the American people”? 

- Are these organizations willing to adapt their mission to accommodate change in government demands? Given the extent of private sector involvement in humanitarian aid and development assistance, we would expect these organizations to be less willing to compromise their values and mission.

- To what extent are government aid or development policies constrained by the choice of organizations from which services might be procured?

To address such questions and to consider the extent to which humanitarian aid or development INGOs are involved in policy change, an exploratory study was undertaken that examined the field of organizations funded by the government of one donor nation (the United States of America) during a period of transition to a new presidential administration. These organizations comprise an important component of the policy subsystem for humanitarian aid and development. As power is transferred to a new administration, organizations in the field of service may undergo serious challenges to their core mission and purpose as new political objectives are set in motion. The adaptation made by these groups reflects aspects of “policy learning,” defined as the capacity of various actors to respond to shifts in policy aims. The study utilized the Federal Audit Clearinghouse (FAC) and other online data sources that provide information about U.S.-based nonprofit organizations engaged in international humanitarian and development efforts. The analysis compared dynamics of policy learning along two dimensions: the goal orientation of the organizations (found in their statement of mission) and changes in funding trends. By exploring the missions and resources of these organizations during a period of policy change, we may hope to identify how much interdependence exists between government (with policy objectives of
its own) and organizations whose private funding may command a different set of policy aims.

Policy Context

The United States government, like other nations in the post-industrial era, has long-relied on voluntary, private organizations to deliver humanitarian and development services throughout the world. This mirrors a pattern of service provision used extensively in many domestic U.S. social welfare programs that place government presumably in a “steering” rather than “serving” role (Denhardt & Denhardt, 2000). However, research on such privatization of publicly funded services has raised serious questions about the capacity of both 1) government to provide adequate oversight and 2) private contractors to maintain their autonomy and unique mission once they are reliant on the government for funding (Smith & Lipsky, 1993). The difficulty of supervising diverse organizations operating in so many parts of the world was documented in a recent report by the U.S. General Accounting Office (now called the Government Accountability Office or GAO). The GAO found that the types of “funding mechanisms” to provide services through the U.S. Agency for International Development were inadequately documented and that “better data were needed to evaluate approaches” used (GAO-02-471).

INGOs are obviously important policy tools in international assistance, and their ability to leverage private funding helps expand their work. However, with private giving comes private interests not necessarily in keeping with public policy aims. Dependence upon private providers of service—as well as the private resources they bring to bear—may compromise the impartiality of governmental decisions about allocations. In addition, the political structure of the U.S., particularly the separation of powers among the branches of
government, holds many opportunities for various groups and interests to influence the shape of policies that provide assistance to other nations.

A case in point involves recent policy decisions about the scope of funding for HIV prevention and the treatment of AIDS in Africa. In terms of prevention, the “ABC” formula (Abstain, Be faithful, use Condoms) has been touted as an effective mechanism for helping to stem the spread of HIV. Many U.S.-based humanitarian INGOs have ties to religious groups, and they have long been recognized by USAID as PVOs. In determining the focus and intent of funding for HIV prevention, however, a USAID report published in 2003 suggested that “religious groups should be allowed to do what they do best” and concentrate their preferred focus on abstinence and fidelity programs rather than insist that they participate in urging the use of condoms (Green, 2003). Some religious groups, the Roman Catholic Church and others, oppose the promotion of condom use. Obviously, recommending such an approach to policy implementation may mean not doing what is most needed in a host country to prevent the spread of the HIV/AIDS pandemic.

A basic precept of humanitarian assistance is that aid should be given impartially as a response to human need, not as a political tool of foreign policy (International Committee of the Red Cross). In practice, however, the goal of impartiality is difficult to achieve or maintain. As national governments weigh the decision to allocate resources to provide aid, they are inevitably influenced by the political consequences of their decisions. In addition, agencies “on the ground” in areas of need are routinely caught in a web of political circumstances that often require taking sides for the protection of civilians or staff members, or both. For decades, the U.S. conducted the Agency for International Development as an independent entity, with the aim of making impartial funding decisions. Various presidential administrations have attempted to gain control of the agency (Barber, 2002). More recently, Secretary of State Condoleezza Rice used the occasion of an appointment of a new USAID
administrator to alter the structure of the senior executive’s role and coordinate the efforts of USAID more in keeping with foreign policy aims (Weisman, 2006; USAID Fact Sheet, 1/19/2006).

Conceptual Framework

Scholars have contended that the political context for international nongovernmental organizations (INGOs) has undergone substantive change since the end of the Cold War. Increasing regional instability and the threat of terrorism have complicated the picture for aid and development. The dramatic surge of involvement by INGOs across the globe has challenged scholars to identify a suitable theoretical framework for explaining the political context that, first, encouraged the proliferation of organizations and, subsequently, their potential role in the policy environment. Two conceptual frames have particular relevance for the types of questions raised in this study. Smillie & Minear (2003) have drawn on concepts from political economy to provide a theoretical framework. Terry (2002) used organizational learning to explain the persistence and adaptability of humanitarian aid organizations in situations of relief and aid.

This paper takes a middle path through these two theories and utilizes the framework of policy learning (Sabatier & Jenkins-Smith, 1993) to explain how changes in international aid policy by donor nations are reflected in characteristics of the policy subsystem supporting humanitarian and development activity. Rather than examine the adaptation that occurs within individual organizations (as in organizational learning) or consider only the competitive pressures that shape organizational activity (as in political economy), this study focuses on policy itself and how it might change based on shifting actors and circumstances. Policy learning models have emerged as an alternative to conflict-based theories of policy formulation, reflecting Hugh Heclo’s contention that uncertainty has as much to do with
policy-making as the struggle for power. As Heclo put it, the policy process is “a form of collective puzzlement on society’s behalf” (Heclo, 1974).

Policy learning is defined as “an ongoing process of search and adaptation motivated by the desire to realize core policy beliefs” (Sabatier and Jenkins-Smith, 1993, p. 44). Policy learning is considered a mechanism for conserving a group’s “political resources” (ibid., p. 45), an especially critical function for resource-hungry nongovernmental organizations. Perhaps most importantly, policy learning is understood as a significant source of policy innovation and change (Bennett & Howlett, 1992). According to Sabatier and Jenkins-Smith, policy change does not occur without the adjustment and refocusing of policy subsystems, which are comprised of numerous actors both within and outside of government. They join together in coalitions to defend and preserve public policies that align with the unifying beliefs, values or goals that link actors together.

As a correlate of policy change, however, policy learning is not a strategy chosen by groups that might advocate for policies favorable to them but, instead, a barometer of the degree of pressure a coalition feels to accept (or perhaps to confront) change. Policy learning is an adaptive response to pressure toward change, even pressure as subtle as the modeling or examples found in other policies (Mossberger, 1999; Mooney & Lee, 1999). Like other sorts of human service organizations, humanitarian and development INGOs are usually founded on a set of values that provide the impetus and meaning for their work. Those that operate on the basis of lofty social principles (peace, justice, equity, for example) may be the most resistant to policy change. Such groups are unlikely to modify their core values, even with repeated failed attempts to affect policies (Olson, 1965). The idealism of such groups prevents them from compromising their prized beliefs.

Without an external threat of some kind, proponents of policy learning theories argue, a policy subsystem is unlikely to change its preferred policy position. Particularly entrenched
organizations and interests (those heavily dependent on government funding, for example) are more likely to resist change and present a significant obstacle to policy innovation (Imig, 1996). According to Jenkins-Smith and Sabatier (1993), such coalitions “have incentives to engage in policy-oriented learning” namely to “document performance gaps in existing governmental programs” (emphasis added) and “improve their understanding of the causal reasons for such gaps” (p. 55).

It follows, then, that by taking a close look at the alignment of organizations that obtain funding from a donor nation government and comparing it over time, we should be able to identify evidence of policy learning in the variability of groups and the consistency of their organizational aims. Furthermore, the intervention of some external shock would presumably bring additional pressure to bear on the constituent groups to adapt their value orientation.

Data and Methods

The data for the study came from two sources: the Federal Audit Clearinghouse (FAC) and Guidestar.org. The FAC captures financial information about organizations that receive $300,000 or more in federal funding through all departments and agencies of the U.S. government (Jalandoni et al, 2005). The FAC dataset provided information about nonprofit organizations that had submitted audits for funds received in fiscal years 2001 and/or 2003 through the aegis of USAID. These two reporting years were selected because they represented the early stages of a new presidential administration when initial policy objectives were likely to be implemented. It is assumed that some “carry-over” existed in programs from the previous administration. Certain inconsistencies in the data prevented the use of a longer time frame (e.g., comparing the Clinton and Bush administrations).
A total of 90 audits were submitted by organizations involved in direct humanitarian aid during these two fiscal years: 43 organizations in 2001 and 47 in 2003. No limits were placed on the type of service or program provided by the nonprofit organization. As a result, the dataset includes information about organizations that provided a range of diverse services. From Guidestar.org, information was collected about the age and finances of each organization, along with the statement of mission provided by the group to Guidestar as part of their public reporting efforts. This statement of mission was more expansive than the version provided by each organization to the USAID registry of PVOs and, ostensibly, more inclusive of the organization’s total mission (i.e., working with USAID may constitute only one part of an organization’s work). Descriptive statistics were summarized from the financial and other quantitative data, while content analysis was conducted on the mission statements to provide a comparison between the two years.

Analysis

Between 2001 and 2003, the number as well as the size of awards increased overall, but a clear shift was evident from one period to the next. The mean value of the grants increased between 2001 and 2003, from an average of about $4.3 million \((n = 143)\) to more than $11.7 million \((n = 189)\), an increase of about 174 percent. The number of grants to organizations serving countries in Latin America was most dramatically reduced (a decrease of 48 percent), although PVOs in Europe/Eurasia also experienced a decline of about 15 percent. Surprisingly, support provided by USAID through nongovernmental organizations remained about the same for Asia (including Afghanistan and Iraq), given that U.S. military intervention began in 2001. Grants to PVOs in Sub-Saharan Africa, however, rose impressively, more than doubling the number of awards and contracts to these organizations (45 in 2001 to 96 in 2003, an increase of about 113 percent). The total amount of aid
channeled through PVOs to Sub-Saharan Africa also grew, from $26.2 million in 2001 to $48.5 million. Most of the increase went to organizations that operated in countries considered least developed, according to the United Nations.

In addition to the increase in grants awarded, USAID also turned to a different set of organizations to provide assistance, perhaps because of the change in regional emphasis. More than half (59.1 percent) of grants in 2003 were awarded to groups that had not been funded in 2001. These were not necessarily new organizations, however. The organizations funded in 2003 had actually been registered as PVOs an average of five years longer than those funded in 2001 ($M = 18.7$ years versus $13.5$ years). Groups funded in both years had been recognized by the IRS as tax-exempt organizations for about the same length of time on average ($23$ years for organizations funded in 2001; $26$ years for those in 2003).

Presumably in response to the Bush Administration’s global initiative on HIV/AIDS and the need to mobilize in new ways and regions, the degree of reliance on government support also increased among the funded organizations. Based upon data taken from the annual Form 990 required by the IRS, the organizations that received USAID support in 2001 reported that government funding constituted a mean average of about $34.9$ percent of their total revenue. This proportion rose considerably for the organizations that had completed their audits for 2003, when government support equaled more than $53$ percent ($53.7$ percent) on average for the funded PVOs.

The mission statements for the organizations that received funding from USAID were analyzed to identify specific trends between the end of the Clinton Administration and the government of George W. Bush. The content analysis software, Diction, was used to empirically assess the frequency and insistence of specific words and terms in the mission statements, which were obtained from Guidestar.com for all of the organizations that made information available there.
To identify trends among the group of organizations as a whole, the texts of the mission statements for funded groups were combined into two separate word lists for years 2001 and 2003. There were several interesting findings. First, the two sets of word lists have many similarities; both have about equal emphasis on terms like “developing” (as in developing nations) and “development,” as a particular focus of the funded organizations in both years. Health-related terms (“health,” “medical,” and “pediatric”) were also frequently mentioned in mission statements for both years, although the word list for 2003 had almost twice as many occurrences ($n = 14$ or 0.60 percent of words analyzed) than in 2001 ($n = 9$ or 0.34).

However, the differences between the two word lists are of particular interest. For example, the term “AIDS” did not occur with any frequency in 2001 but did in 2003 ($n = 3$ or 0.13 percent of words analyzed), obviously reflecting the Bush Administration’s decision in 2003 to give the AIDS pandemic a greater priority in its foreign policy. Perhaps in conjunction with the AIDS policy, the 2003 word list includes eight references to “church” or “churches” (about 0.35 percent of words analyzed). These words were not found in the texts of the mission statements from the 2001 organizations. More organizations included the word “economic” in their mission statements in 2001 ($n = 11$ or 0.42 percent of words analyzed) than in 2003 ($n = 3$ or 0.13 percent of words analyzed). Education was a prominent feature of the mission statements in the 2001 cohort, with “education” or “educational” appearing 10 times (or about 0.38 percent of words analyzed). Education did not appear as a high frequency word in the mission statements of organizations in 2003. Nor did “energy” (enumerated 3 times in the 2001 groups) or “women” (also 3 times in the mission statements for the 2001 organizations).

In addition to tabulating the frequency of words in written texts, the software measures the occurrence of words in predetermined categories that reflect broad
characteristics of all discourse. These categories are difficult to interpret given the narrowly
tailored sample of text used in this study. However, the mission statements from
organizations funded in 2001 were significantly \((z = 1.02, p = .05)\) more likely to include
language related to the *Diction* category called *Inspiration*, which includes words and terms
closely linked to religion as “abstract virtues deserving of universal respect” (*Diction*).
Despite the incidence of references to “church” or “churches” in 2003, the mission statements
for organizations funded during that year did not have a similarly significant instance of
words in *Diction’s Inspiration* category.

Discussion

This paper set out to find whether the organizations engaged in humanitarian or
development activity that is funded by government display evidence of policy-oriented
learning. By examining the effects of a policy shift in the earliest stages of a new
governmental administration, we would expect to find that INGOs experience pressure to
change or redirect their efforts. The question becomes how much pressure do they undergo
and how much resistance to change are they able to mount, especially given the important
role attributed to INGOs in the U.S. aid and assistance scheme.

Despite the limitations of the data used here, we can detect some interesting patterns
of policy change and adaptation. The dramatic shift of emphasis away from certain regions
of the world to another has similarly dramatic consequences for the organizations whose
missions link them to only one area. Organizations that operate more flexibly on a global
scale have a distinct advantage in their ability to adapt to a policy “sea-change.” In
particular, the organizations engaged in activities throughout South America may have been
especially hard-hit unless they had the infrastructure to follow the trend in funding elsewhere.
It is difficult to imagine that all INGOs have a similar capacity for adapting to new cultural
environments, where language, customs and the political environment are profoundly different.

The shift in aid policy away from South America to the opposite hemisphere was accompanied by a major turnover in the INGOs that received funding in one period and the other. Although the degree of change was large, it is easy to overlook the fact that more than 40 percent of the INGOs/PVOs received funding in both years, despite what might be called a seismic shift in aid policy. Assuming that the humanitarian aid and development policy subsystem managed to retain some continuity in regions and awards, it probably also safe to assume that the underlying values of these organizational actors remained relatively constant.

However, findings from the content analysis of the mission statements suggests that certain core values of the organizations in the U.S. aid apparatus may be in some transition. As stated earlier, religious groups have long been at the forefront of efforts by private U.S. organizations to provide aid and development assistance. The Bush Administration has actively promoted the expanded involvement of these groups, both in international aid as well as in domestic policy concerns. However, the content analysis described a paradoxical shift in mission language to church-related terms without a corresponding increase in words and ideas linked to the Inspiration category defined by the Diction program. Given the international scope and altruistic purpose of humanitarian aid, most particularly, a shift in mission discourse away from virtues “deserving of universal respect” could be a troubling development. Further analysis with more extensive data could substantiate such findings. It may be, however, that we are witnessing a trend toward humanitarian assistance that is more technical and professional in nature, rather than stemming from lofty philosophical principles about service to humankind.
Conclusion

Perhaps appropriately for an exploratory paper, there are more questions raised than answers provided by the analysis. In particular, the specter of private giving and its influence on humanitarian aid and development policy remains completely unaddressed by the present study. How do the interests of humanitarian INGOs (both those funded by government and those that operate without its assistance) align with the policy aims of the national governments where they are based? As an alternative to direct government intervention, to what extent are INGOs implementing the foreign policy aims of the administration that may or may not fund them? Or, do INGOs advance their own political agenda because of their links to private giving? Perhaps more importantly, to what extent are the humanitarian aid policies of a donor government constrained by the ideology and interests of the INGOs that deliver such assistance?

Researchers and observers of humanitarian assistance have insisted on the need for improved coordination among INGOs and the network of service providers. The political environment for assistance and aid today requires a new level of sophistication and accountability. An obvious goal is to enlarge the capacity of humanitarian organizations in their varied missions, much in the spirit of Raum Jai, the aim of the ISTR conference. Humanitarian aid INGOs would be wise to become better informed about the political and related funding pressures that might threaten to compromise their important and life-sustaining objectives.
REFERENCES


United States General Accounting Office. (2002). Foreign assistance: USAID relies heavily on nongovernmental organizations, but better data needed to evaluate approaches (No. GAO-02-471). Washington, DC.
Table 1. Federal U.S. Funding of PVOs by Region, in millions

<table>
<thead>
<tr>
<th>Region</th>
<th>2001</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>26.2</td>
<td>48.5</td>
</tr>
<tr>
<td>Asia &amp; Near East</td>
<td>14.5</td>
<td>22.6</td>
</tr>
<tr>
<td>Europe &amp; Eurasia</td>
<td>32.8</td>
<td>43.1</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>17.6</td>
<td>3.8</td>
</tr>
</tbody>
</table>

Based on audited figures, Federal Audit Clearinghouse.