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ANALYTICAL ESSAY

Understanding the Limits of Transnational NGO Power: Forms, Norms, and the Architecture

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A growing chorus of critics have called upon transnational nongovernmental organizations (TNGOs) from the Global North to “decolonize” their practices, to “shift the power” to the Global South, and to put an end to “white saviorism” by initiating a variety of significant organizational changes. Despite these repeated calls, the TNGO sector still struggles to reform. Explanations for TNGOs’ ongoing struggles from within the field of international relations have generally centered on TNGOs themselves and the ironies and paradoxes of organizational growth and financial success. This article introduces a different argument that TNGOs’ struggles to adapt in response to their critics are the result of TNGOs’ “nonprofitness.” By virtue of being nonprofit, TNGOs are embedded in an architecture consisting of forms and norms that inherently limit the extent to which they are able to change. Using the construct of the architecture, this article provides a novel account for the challenges that TNGOs confront as they attempt to close the gap between the rhetoric and reality of inclusive and transformational socioeconomic, political, or environmental change.

Un coro cada vez más numeroso de voces críticas ha empezado a reclamar a las ONG transnacionales (ONGT) del norte global que «descolonicen» sus prácticas, «trasladen el poder» al sur global y pongan fin al complejo del «salvador blanco» mediante la implementación de una serie de significativos cambios organizativos. A pesar de estos repetidos llamamientos, el sector de las ONGT sigue encontrando dificultades para reformarse. Las explicaciones de las continuas dificultades de las ONGT, desde el campo de las relaciones internacionales (RRII), se han centrado generalmente en las propias ONG y en las ironías y paradojas del crecimiento organizativo y el éxito financiero. Este artículo presenta un argumento diferente, según el cual las dificultades de las ONGT para adaptarse en respuesta a las críticas se deben al hecho de que las ONGT son organizaciones «sin ánimo de lucro». Por el hecho de no tener ánimo de lucro, las ONGT están inmersas en una arquitectura de formas y normas que limitan intrínsecamente su capacidad de cambio. Utilizando el constructo arquitectónico, este artículo ofrece una descripción novedosa de los retos a los que se enfrentan las ONGT cuando intentan llenar el hueco existente entre la retórica y la...
realidad del cambio socioeconómico, político o medioambiental inclusivo y transformador.

Un nombre croissant de voix s’élève pour demander aux ONG transnationales du « Nord » de « décoloniser » leurs pratiques, de « transférer le pouvoir » aux pays dits des Suds, ainsi que d’en finir avec le syndrome du « white saviorism » (syndrome du « sauveur blanc ») en opérant une série de transformations organisationnelles. En dépit de ces demandes récurrentes, le secteur des ONG transnationales semble avoir du mal à se réformer. La recherche en relations internationales explique généralement les difficultés de ces entités en se focalisant sur les ONG concernées, ainsi que sur l’ironie et les paradoxes que constituent les notions de croissance organisationnelle et de prospérité financière, au regard de leur mission. Cet article propose une nouvelle hypothèse, à savoir que les difficultés que rencontrent les ONG transnationales pour s’adapter, en réponse aux critiques à leur encontre, sont le fruit de leur caractère non lucratif. En effet, de par leur statut d’organisation à but non lucratif, les ONG transnationales sont prises dans une architecture faite de structures et de normes qui limitent, par essence, leur capacité à évoluer. S’appuyant sur les fondements de cette architecture, cet article offre une nouvelle perspective sur les défis auxquels font face les ONG transnationales lorsqu’il s’agit de faire coïncider discours et réalité, de faire preuve d’inclusivité et d’opérer un véritable changement socio-économique, politique ou environnemental.

Keywords: transnational nongovernmental organizations (TNGOs), architecture, nonprofit theory, NGO criticism, forms and norms
Palabras clave: organizaciones no gubernamentales transnacionales (ONGT), arquitectura, teoría de las organizaciones sin ánimo de lucro, crítica a las ong, formas y normas
Mots clés: organisations non gouvernementales transnationales, architecture, théorie du but non lucratif, critique des ong, structures et normes

Introduction

After decades of growth and financial prosperity dating to post–World War II reconstruction, the transnational nongovernmental organization (TNGO) sector is facing criticisms over its effectiveness, accountability, and legitimacy (Banks, Hulme, and Edwards 2015; Barnett and Walker 2015; Mitchell, Schmitz, and Bruno-van Vijfeijken 2020). Critics portray the contemporary TNGO sector as a remnant of colonialism that reproduces global inequality (Worden and Saenz 2021). In response, there is renewed energy and attention to the global development sector and demands for the decolonization of aid and “shifting the power” from the Global North to the Global South (Pailey 2020; Cummings, Munthali, and Shapland 2021; RINGO Project 2021). While many TNGOs have committed to transforming their roles and business models, they simultaneously remain largely under the control of wealthy elites, especially funders and national members in resource-rich countries.

For some time now, “white saviorism,” “voluntourism,” and racist, humiliating stereotyping have sparked public awareness campaigns seeking to decenter international development discourses. TNGOs founded decades ago in the Global North are deeply embedded in past colonial practices and struggle to fully distance

1 Two recent examples include the RadiAid’s “Rusty Radiator Awards” (https://www.radiaid.com/) exposing ill-conceived aid campaigns and the “Barbie Savior” Instagram account (@barbiesavior) challenging self-serving poverty tourism (Zane 2016).
themselves from their past (Baughan 2022; International Development Committee 2022). Despite the emphatic shift in the sector’s rhetoric toward advancing greater local control and empowerment, Southern civil society organizations still find themselves excluded from funding streams (Lall, Chen, and Davidson 2019) and cannot effectively shape interventions directed at their own local communities (Hodgson and Knight 2019; Peace Direct 2021). The disconnect between the sector’s rhetoric about equality, empowerment, and localization (Barbelet 2018), on the one hand, and the reality of persistent power hierarchies, on the other hand, has resulted in widespread questioning of the ability of TNGOs to truly advance more inclusive and equitable practices (International Civil Society Centre 2013; Bond 2015; Green 2015; Edwards 2016; Ingram and Lord 2019).

Apart from TNGOs struggling to reimagine their roles, there are also regular reports about unacceptable individual behaviors harming staff and local populations. Many prominent TNGOs have recently faced investigations of safeguarding failures as well as toxic and discriminatory workplace cultures (Avula, McKay, and Galland 2019; Goncharenko 2021). Such reports about direct harm to staff and intended beneficiaries undermine the legitimacy of the sector overall and reveal dysfunctional organizational cultures often unable to practice fairness, equity, and inclusion internally (Bruno-van Vijfeijken 2019; Sriskandarajah 2021).

In the field of international relations (IR), scholars have recently focused particular attention on the TNGO sector growth and professionalization. Organizational growth and associated changes, such as bureaucratization and professionalization, have been identified as antithetical to the professed identities of TNGOs as authentic and independent civil society organizations. With rapid sector expansion since the 1970s (Bush and Hadden 2019, 1135), TNGO growth is associated with a greater focus on organizational survival at the expense of their missions (Cooley and Ron 2002; Dolšak and Prakash 2021), falling prey to elite capture (Dill 2009; Stroup and Wong 2017), and shifting attention from local needs to global aspirations (Balboa 2018). These analyses propose a fundamental paradox: as TNGOs become larger and more successful, they also become less principled, collaborative, and effective at advancing their missions.

These and other criticisms underscore the many challenges that TNGOs face to their accountability, legitimacy, effectiveness, and relevance. We refer to TNGOs’ attempts to respond to these criticisms through the implementation of specific organizational reforms as “struggles.” We use the term “struggle” because reform is costly, difficult, and results remain often uncertain (Kotter 2005). Moreover, organizational change is a moving target as public attitudes, funder priorities, and various macroeconomic, social, political, environmental, and operational circumstances are constantly in flux. Change leaders face numerous obstacles from a variety of internal and external stakeholders that can complicate and impede the ability for TNGOs to adapt to their changing environments (Mitchell, Schmitz, and Bruno-van Vijfeijken 2020).

This article suggests an explanation for TNGO struggles, which has not yet received substantial attention in the IR literature and is derived from established nonprofit theories elucidating the nature and role of nonprofit organizations in society. In contrast to existing explanations of TNGO struggles in IR, this account does not blame the past successes and growth of TNGOs for their current problems. Instead, it argues that TNGOs have steadily expanded their ambitions and have reached the limits of what they can realistically achieve within the constraining institutional and cultural architecture in which they operate. The underlying problem is not their size, but the embeddedness in an architecture inhibiting their ability to reform and deliver on their expanding promises. The fact that most TNGOs are nonprofits incorporated under national charity laws has become a major impediment to accomplishing their goals.
Although IR scholarship universally recognizes TNGOs as being nonprofit, the field of IR has not sufficiently appreciated the substantial theoretical and practical implications of “being nonprofit” (Frumkin 2002) for TNGOs. The institutional form of the charitable organization confers important benefits upon TNGOs, but it also subjects TNGOs to specific regulatory frameworks and cultural norms that affect their ability to meet persistent and widespread criticisms with meaningful reforms. Although national regulatory and policy frameworks affecting nonprofits can and do change over time (Bloodgood, Tremblay-Boire, and Prakash 2014; Breen, Dunn, and Sidel 2017) and some TNGO “brands” include noncharitable nonprofits and other affiliated entities, TNGOs are specifically defined as being nonprofit and most of these nonprofits are charitable or similar public benefit–type organizations (NCCS Project Team 2020). In the United States, about 70 percent of all registered nonprofits are reporting public charities, accounting for about 78 percent of sectoral spending. The architecture governing charitable nonprofits broadly applies to TNGOs.

This essay begins with two sections defining TNGOs and elaborating on their struggles; then follows a summary of several distinct scholarly accounts of how and why TNGOs have recently struggled to advance their missions. The subsequent section then introduces an alternative perspective emphasizing the constitution of TNGOs as charitable nonprofits and specifically the concept of the “architecture” as an explanatory apparatus. It mobilizes nonprofit theory to elaborate on the institutional forms and cultural norms governing charities. The next section then provides a more detailed overview of specific negative effects of charitable status on TNGOs. These include (1) control failure, (2) a weak outcome orientation, (3) the risk of “successful failure,” (4) depoliticization, (5) undercapitalization, and (6) procyclicality and discontinuity. The subsequent section explains why emphasizing the nonprofit rather than nongovernmental character of TNGOs matters to IR. The article then concludes with suggestions for how this perspective informed by nonprofit studies could add a distinct perspective to future IR research about TNGOs.

Defining the TNGO Sector

For decades, TNGOs’ primary activities involved transferring resources from the Global North to the Global South to address the perceived needs of poor and underprivileged populations. In doing so, TNGOs created sustained transnational linkages generating substantial academic interest. The great diversity in sizes and activities of TNGOs has led to expanding research programs across a number of academic fields. In development studies, anthropology, IR, and sociology, scholars have explored the effects of TNGO efforts, their interactions with other global actors, the evolution of the TNGO sector, and the ways in which TNGOs undermine or reproduce existing global power dynamics (Watkins, Swidler, and Hannan 2012; Brass et al. 2018, 143). Much of this knowledge about TNGOs is based on studies “of a relatively small number of the largest” organizations (Banks and Brockington 2019, 7).

In many countries, the nonprofit sector includes organizations that undertake transnational activities, although they typically represent a very small subsector (Casey 2016). For example, in the United States, only 2.2 percent of all charitable organizations are classified as “international” (NCCS Project Team 2020). TNGOs are legally established as “not-for-profit” in so far as surpluses cannot be distributed to “controlling persons” as profit (nonprofits have no owners) for private gain. They are “nongovernmental” in so far as they are not controlled by state agencies, participation is voluntary, and political activity is often restricted or prohibited (e.g., charitable organizations typically cannot electioneer). In return for these restrictions, many countries provide charities and their donors with specific tax benefits designed to encourage philanthropy and charitable activity. With the growth
of many TNGOs over time, some evolved into global brands or “families” of national and regional organizations coordinated by global secretariats or other bodies (Lindenberg and Bryant 2001; Brown, Ebrahim, and Batiwala 2012; Mitchell, Schmitz, and Bruno-van Vijeijken 2020).

**What is the Problem with TNGOs?**

Extensive research in IR and other fields demonstrates the power and impact of TNGOs, both as service providers and as advocacy organizations. For example, a recent systematic review of thirty-five years of research finds a preponderance of “favorable effects of NGOs on health and governance outcomes” (Brass et al. 2018, 136). Scholars have claimed that TNGO activities can enhance the accountability of public officials (Boulding and Gibson 2008; Devarajan, Khemani, and Walton 2011), shape the foreign direct investment decisions of corporations (Barry, Chad Clay, and Flynn 2013), advance lesbian, gay, bisexual, and transgender (LGBT) rights (Velasco 2020), increase government health spending (Murdie and Hicks 2013), and advance civil and political rights (Simmons 2009) as well as social and economic rights (Geffen 2010; Smith, Buse, and Gordon 2016). At the global level, TNGO activism has been linked to the emergence of new institutions, including the International Criminal Court (Glasius 2002), the Anti-personnel Landmine Convention (Williams, Goose, and Warcham 2008), the Convention against Torture (Cook 1991), and the Kimberley Process to eliminate blood diamonds (Bieri 2010).

Apart from these positive results, research has also tracked more complex effects of TNGO activism. With regard to women’s rights, for example, there is evidence that TNGO advocacy may only advance social and economic rights, while being less effective in challenging political repression (Murdie and Peksen 2015). Advocacy quality may vary greatly (Cloward 2016), and “naming and shaming” efforts may generate substantial domestic backlash (Hopgood, Snyder, and Vinjamuri 2017; Snyder 2020). Empirical studies have also identified possible negative spillovers caused by external interventions led by TNGOs (Allendoerfer, Murdie, and Welch 2019), including increased government repression (Hafner-Burton 2008) or a crowding-out effect of governmental services in the presence of NGOs (Deserranno, Nansamba, and Qian 2020). Other scholarship has claimed that NGO activities strengthen government capacity in democratic contexts, but not in non-democratic settings (Campbell, DiGiuseppe, and Murdie 2019). All of these studies call for additional research on the effects of TNGO activities, especially when trying to determine causal relationships between principled activism and its unintended effects (Streznhev, Kelley, and Simmons 2021).

Complementing these debates in IR about the diverse effects of TNGO activism, studies have also documented substantial evidence of TNGO struggles and discontent among their stakeholders. This discontent is often part of broader charges that the humanitarian and development aid systems are broken (Moyo 2009; Alemazung 2010; Spiegel 2017) and that an NGO-based aid system cannot deliver on promises (Edwards 2016; Sogge 2016). Researchers have highlighted substantial negative effects of aid efforts during and after major humanitarian crises, including the Biafran war (Oko Omaka 2016), the 1995 Rwandan genocide (Terry 2002), and the 2010 Haiti earthquake (Telford and Cosgrave 2007; Schuller 2012; Wood and Sullivan 2015). Scholarship has identified a number of common problems associated with TNGO activities, including a lack of accountability to local populations (Gereke and Brühl 2019; Jamal and Baldwin 2019; Sênit and Bierrmann 2021), a crowding-out of, and dominance over, local groups (Houghton 2016; Schöneberg 2017; Kumar 2020), ineffective or counterproductive advocacy efforts (Schmitz 2006; Cloward 2016; Will and Pies 2017), and instances of human rights violations committed while pursuing principled goals, such as environmental protection (Carolei 2018). Revelations of failures to safeguard local populations against sexual exploitation, abuse,
and harassment have been particularly harmful for TNGO reputations (Charity Commission for England and Wales 2019; Sandvik 2019).

Apart from external criticisms, internal stakeholders have also focused more attention on TNGO struggles. Recent annual surveys of TNGO leaders reveal concerns about a lack of progress in addressing issues related to localization, safeguarding, and other key areas (Willig and Mitchell 2021). InterAction, the leading umbrella organization of development and humanitarian organizations based in the United States, has identified TNGO governance weaknesses, especially missing capacities of boards to effectively respond to geopolitical, social, and financial changes (Worthington and Grashow 2018). There are also high-profile complaints by TNGO staff regarding serious problems with internal work culture, including at Amnesty International (Avula, McKay, and Galland 2019), Doctors without Borders (Mukerjee and Majumdar 2021), and Save the Children (Charity Commission for England and Wales 2021). Surveys of minority staff regularly reveal that persons of color remain underrepresented, especially at management levels, earn less than their white colleagues, and regularly report facing racial discrimination at work (Bheeroo et al. 2020). The sector has been slow to address equity concerns, while also struggling to attract talent commensurate with ambitious development and humanitarian goals (McWha-Hermann et al. 2017).

The external and internal criticisms of TNGOs also correlate with evidence documenting fundraising and public opinion challenges. There is consistent evidence that very large TNGOs have experienced for some time a plateauing of income levels and struggle to successfully fundraise outside of their traditional markets in wealthier Northern economies (Tallack 2020). For the United States and other major economies, new TNGO foundings appear to have peaked in 1994 and have since been in significant decline (Bush and Hadden 2019). Global surveys also show substantial public skepticism of NGOs. For example, a 2019 Gallup study found that only a small majority (52 percent) trusted the sector, while 32 percent of respondents had no confidence in NGOs (Younins and Rzepa 2019). In the 2021 Edelman Trust Barometer, NGOs were viewed as more ethical than business, government, and media, but were also viewed as “less competent.” They lagged the business sector in the overall trust by four percentage points (Edelman 2021, 2022).

After decades of growth and success, there is now a greater sense of crisis and struggle in the TNGO sector. Many of these problems are not new (Gibelman and Gelman 2004), but criticisms by internal and external stakeholders are today more visible and more openly expressed and investigated. Most importantly, these struggles have given rise to more sustained questioning of the development aid system itself (Savedoff, Glassman, and Madan Keller 2016; Oxfam America 2021) including calls for fundamental change under the banners of localization, decolonization, and “shifting the power” (Firelight Foundation 2020). Compared to the past decades, scrutiny of TNGO actions has increased, including independent monitoring of the sector (Disaster Accountability Project 2021), demands for fundamental changes to how TNGOs operate (Hanchey 2020; Pailey 2020; RINGO Project 2021), and increased efforts of self-regulation to retain donor trust (Gugerty and Prakash 2010; Deloffre 2016; Crack 2018). While the TNGO sector and many individual organizations are changing, the struggles experienced require more sustained scholarly attention with a focus on underlying causes.

**Existing Explanations for TNGO Problems**

TNGOs are recognized as relevant actors in IR because they are able to shape important policy outcomes both at domestic (Risse, Ropp, and Sikkink 2013; Evans and Rodriguez-Garavito 2018; Allendoerfer, Murdie, and Welch 2019) and at international levels (Price 1998; Glasius 2006). With the rise of the constructivist IR paradigm, TNGOs were cast as enactors of universal principles advancing and
expanding norms regulating the state system (Boli and Thomas 1999). These actors were empowered by their universal principles and capacity to connect like-minded activists around the world. The fact that TNGOs were nonprofit was rarely emphasized, except in so far as to differentiate TNGOs from businesses. TNGOs were viewed as uniquely motivated by normative principles, which facilitated cross-border mobilization in transnational advocacy networks (Keck and Sikkink 1999; Naples and Desai 2002; Bandy and Smith 2005).

Research on TNGOs remains vibrant (e.g., Pallas and Nguyen 2018; Dellmuth and Bloodgood 2019; Hadden and Jasny 2019) and continues to emphasize the accomplishments of TNGOs (Andia and Chorev 2017; Brass, Robinson, and Schnable 2018; Velasco 2020). At the same time, a growing number of IR scholars have investigated why TNGOs have remained vulnerable to significant and sustained criticisms. This research agenda emerged as scholars paid closer attention to the resource dependence of TNGOs (Prakash and Gugerty 2010; Mitchell 2014b) as well as to substantial national and organizational differences among TNGOs (Stroup 2012; Wong 2012). By addressing the empirical puzzle of principled organizations struggling to adhere to their principles, these studies facilitated a new focus on TNGOs as organizations navigating their surrounding material and normative structures. Table 1 and the rest of this section summarize existing explanations for TNGO struggles, focusing only on studies emphasizing factors inherent to TNGOs, rather than on

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external causes, such as issue characteristics, target vulnerabilities, or policy environments (Keck and Sikkink 1998; Shiffman et al. 2016).

Materialism
Researchers have documented competitive behavior among TNGOs (e.g., Cooley and Ron 2002) as well as significant power inequalities within networks (Jordan and Van Tuijl 2000; Bob 2005). Based on political economy accounts, scholars have applied theories of the firm to explain organizational behavior (Prakash and Gugerty 2010). Although TNGOs do not have owners with a claim to profits, they do create expressive and solidarity-type benefits for defined constituents (e.g., donors) in addition to competing for media attention and other resources (Ron, Ramos, and Rodgers 2005). As organizations, TNGOs face resource challenges and agency conflicts as they navigate uncertainty in their external environment. This literature has explored not only TNGO competition (Bob 2010), but also the failure of TNGOs to adopt deserving causes (Carpenter 2007). This literature established a theoretical basis for explaining TNGO struggles, especially issues of mission drift driven by donor demands, competitive behavior, and power differentials privileging wealthy TNGOs and their agendas (Jordan and Van Tuijl 2000; Dolšak and Prakash 2021).

Principled Instrumentalism
A middle ground between viewing TNGOs as principally or self-interested is occupied by an integrated perspective labeled “principled instrumentalism” (Mitchell and Schmitz 2014). In this view, TNGOs do not pursue revenue maximization as a primary objective, but regard resource constraints as their most significant obstacle to mission success. A focus on resource acquisition in a given period is instrumental to the advancement of a principled mandate in future periods. The ability of TNGOs to pursue their missions is predicated on the nature of budgetary constraints, including the percentage of unrestricted funding available. TNGOs are not so much distracted by resource demands and organizational survival but pursue their missions within a given financial setting. The challenge is best understood as a struggle to advance organizational goals over the long term within a context of significantly limited access to funding.

Paradoxes of Scale and Power
Building on earlier studies of power imbalances within advocacy networks (Hertel 2006), scholars have diagnosed a “paradox of scale” (Balboa 2018) leading to TNGOs losing sight of their original missions. These accounts highlight a sectoral shift over time leading to more professionalization and bureaucratization followed by a loss of grassroots connectedness. Some comparative advantages of smaller organizations evaporate, including their nimbleness and ability to unbureaucratically and personally deliver aid (Schnittable 2021). As TNGOs grow and professionalize, it introduces rationalized, managerialist, and business-like logics of action (Hwang and Powell 2009).

Professionalization expressed in evidence-based programming may degrade the ambitions of TNGOs working in complex fields such as democracy assistance (Bush 2015). As TNGOs become established actors, they are more beholden to donor demands and produce “evidence of activity rather than results” (Heiss and Kelley 2017, 734). Consequently, more professional TNGOs may lessen their mission ambitions in return for securing program access and financial security enabling them to operate according to professional norms and funder expectations.

A related paradox emphasizes less the material consequences of growth and success and more the strategic compromises made as a result of becoming
successful. In this perspective, powerful TNGOs acquire authority to command deference from diverse audiences, including states, corporations, and peers (Stroup and Wong 2017). However, commanding such authority causes TNGOs to limit their aspirations in order to maintain elite status. TNGOs fall victim to elite capture as they desire to keep a seat at the table (Jaeger 2007; Banks, Hulme, and Edwards 2015). This results in palliative programming, incremental policy change, and “vanilla victories” (Stroup and Wong 2017) falling well short of original missions.

Organizational Ecology

A final explanation of TNGO struggles builds on political economy approaches, but develops a more dynamic perspective based on an analysis of the ecology of sectors and subsectors (Bush and Hadden 2019). With success, the TNGO sector exhibits greater density leading to changed behavior. When density is low, a virtuous cycle generates three mutually reinforcing outcomes: new organizations enter to attract funding; more funding generates legitimacy and fosters collaboration; and reputation gains draw new entries and financial support. Things change when sector density increases and organizations face more resource scarcity. New entries and collaboration are then discouraged, while existing TNGOs become more concerned about organizational survival. Individual TNGOs may still thrive, but the sector collectively struggles to advance common goals.

Summary

The IR literature has produced a range of explanations about organizational problems and sectoral challenges, including the application of political economy approaches introducing the theory of the firm to explain TNGO behavior. While these various explanations recognize that nonprofits are not businesses, the distinct institutional and normative context of nonprofits is not fully considered. Principled instrumentalism considers resources as important constraints, but does not explore further the origins of these resource constraints. The various “paradox” perspectives offer insights into how the growth of TNGOs may perversely affect organizational priorities but does not link this to institutional form. Finally, organizational ecology suggests that problems with TNGOs result from increased sectoral density; however, this scholarship also does not address the significance of institutional form.

While each of these accounts offers a plausible explanation for various TNGO struggles, none of them has drawn attention to the institutional form of most TNGOs as charitable organizations. Formal organization under charitable incorporation laws embeds TNGOs in a specific legal and cultural architecture that profoundly shapes organizational identity and behavior, enabling certain governing and operating models and limiting or prohibiting others.

In her book Borders among Activists (2021), Sarah Stroup developed a “varieties of activism” framework, which explained differences in TNGO behavior based on the specific structural environment at national levels. The argument below shares this focus on structural opportunities and constraints, but departs from Stroup’s emphasis on variation in national origins. Instead, the approach here identifies the effects of an architecture affecting TNGOs in similar ways across national contexts. The next section explains how the architecture shapes how TNGOs operate worldwide, particularly those founded in the Global North.

TNGOs as Charities

In most national contexts, such as in the United States, virtually all leading TNGOs with recognized authority are incorporated as charitable nonprofit organizations.
In the United States, as in many other countries, charitable organizations are a subtype of nonprofit that in most Northern and Western countries enjoy significant financial advantages over other institutional forms. In the United States, TNGOs are generally exempt from most forms of taxation, and contributions to TNGOs are tax exempt for donors. Moreover, legal oversight of TNGOs is relatively lax (Irvin 2005; Prentice 2018; Mitchell and Stroup 2020). Incorporating as a charity provides important financial benefits for a TNGO, not only in the form of tax benefits but also because many resource providers require their recipients to have charitable status as a funding eligibility criterion. Charitable status also conveys an air of trustworthiness to many potential supporters who might otherwise be hesitant to contribute money. However, the fact that TNGOs are incorporated as charities—their “nonprofitness”—also means that TNGOs are subject to a specific regulatory and cultural architecture that constrains their actions in specific and significant ways as outlined below.

While post-1990s IR scholarship has often adopted a critical perspective on TNGOs and has proposed many arguments for the alleged shortcomings of TNGOs, none of these prior explanations has explored the full significance of the fact that TNGOs are typically incorporated as charities. We argue that the institutional form of the TNGO as a charity provides a powerful explanation for many TNGO struggles. In several respects, the charity architecture is fundamentally incompatible with TNGOs’ contemporary aspirations and constrains the ability of TNGOs to reform. Nonprofit theory is central to understanding the current and future limits of TNGO power and relevance.

**Nonprofit Sector Theory**

Economic theories of the nonprofit (1) sector and (2) institutional form are often referred to collectively as the failure theories (Steinberg 2006). The canonical sector theories invoke the concepts of market failure, government failure, and voluntary failure. In this framework, markets may fail to produce optimal quantities of public goods because of the free-rider problem and the difficulty of excluding non-payers. Governments may step in to correct market failure through compulsory taxation but face their own political limitations in providing public goods. Government failure may occur because public services tend to cater to the median voter and thus can systematically underserve groups in the minority (Weisbrod 1986). The nonprofit sector emerges to fill service gaps, representing a “third sector” necessary to serve unmet needs that the first (business) and second (government) sectors fail to satisfy. Scholars have also pointed out that nonprofits may also fail to optimally address social needs, resulting in so-called voluntary failure (Salamon 1987). This leads to the intertwining of government with the nonprofit sector through public policy, grantmaking, and contracting (Smith and Lipsky 1993).

**Nonprofit Institutional Form Theory**

According to the canonical explanation for the institutional form of the nonprofit, nonprofits exist as a response to so-called contract failure (Hansmann 1980, 1981b; Weisbrod 1988). Charitable activities, outputs, outcomes, or long-term impact are assumed to be inherently unmeasurable or excessively costly to observe, and thus donors are unable to monitor organizational performance. For example, beneficiaries of charitable services abroad may be difficult to identify; service delivery may

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2 In 2020, for example, less than 1,000 of the more than 1.5 million nonprofits in the United States reported owing any penalties to the Internal Revenue Service (IRS), the federal authority that enforces national nonprofit law (Mayer 2021). Prior research has also shown that nearly all organizations that apply for charitable status with the IRS receive it (Reich, Dorn, and Sutton 2009).
take place in hard-to-reach locations; or the difficulty and cost of measuring outputs and outcomes such as tender-loving care, individual well-being, or community empowerment may be excessive. While, in principle, donors could contract with businesses to produce such results, in practice such contracts will fail because for-profit businesses have strong incentives to act opportunistically. The profit motive is likely to lead business owners to exploit donors’ inability to monitor outputs for private gain. For example, business owners could exaggerate the quality of service provision to increase profits for themselves. Donors would be unable to discover this, and no court or arbitration body would be willing to adjudicate a dispute that could not be decided by evidence. The unobservable nature of charitable outputs creates information asymmetry favoring the service provider that leads to contract failure.

Rectifying this problem involves the introduction of the “nondistribution constraint.” This constitutive institutional design feature prohibits those who control an organization from claiming the organization’s earnings for themselves (Hansmann 1980). The nondistribution constraint imbues organizations with “trustworthiness.” Funders will trust organizations subject to the nondistribution constraint even though outputs and outcomes cannot be sufficiently observed. The nondistribution constraint eliminates, or at least attenuates, the profit motive. Being unable to divert donor resources for private gain, charitable nonprofits are left with few alternatives but to comply with donor intent. Signaling adherence to the nondistribution constraint, or more generally, signaling trustworthiness, is thus an imperative for charitable organizations (Mitchell and Calabrese 2019, 2020).

The nondistribution constraint does not eliminate the underlying information problem, but replaces the information problem with a signaling problem, specifically, the problem of signaling trustworthiness. In general, nonprofits signal their trustworthiness by meeting requirements for publicly reporting financial information and avoiding public probity failures (Mitchell and Calabrese 2022). In the United States, where federal and state oversight of nonprofits is relatively lax (Irvin 2005; Prentice 2018), accountability is left principally to donors who are assumed to base their giving decisions on their own satisfaction or dissatisfaction with the nonprofits they support. Although credible output information is not widely available to the general public, financial information is readily available for funders to use in their decision-making. To assist donors in identifying trustworthy nonprofits, numerous online information intermediaries throughout the sector, including Charity Navigator and the Better Business Bureau, provide information about nonprofits.

Many of these external information intermediaries provide accreditations or classifications that indicate fiscal probity or trustworthiness. These systems typically assess the extent to which nonprofits conform to specific financial management norms (Mitchell and Calabrese 2019). Conforming charities are rewarded with favorable designations that may encourage more donations. This system represents a formal codification of constitutive norms in the nonprofit sector that prioritize upward financial accountability (Ebrahim 2019; Kaba 2021). These norms are operationalized in terms of specific financial indicators and are enforced in a decentralized way by the resource providers upon whom nonprofits depend for survival.

The institutional form of the nonprofit has no specific features that would reliably ensure that nonprofits achieve their goals or legitimately represent those they claim to serve. As a consequence, nonprofits do not necessarily need to achieve results to secure resources as funders cannot monitor performance or are disinclined to do so (Seibel 1996). Financial survival is inherently “decoupled” from mission performance (Moore 2000). Nor do charities necessarily need to be accountable to those they claim serve. The nondistribution constraint “is the essential defining feature of a nonprofit organization. [...] it is not
designed primarily for the benefit of such nonpatron beneficiaries. Rather, it is designed to protect patrons who wish to use the nonprofit as an intermediary” (Hansmann 1981b, 553).

The Architecture as Explanatory Apparatus

As nonprofits, TNGOs operate within an architecture that significantly constrains their ability to adapt in response to their critics (Mitchell, Schmitz, and Bruno-van Vijfeijiken 2020). This architecture has two components: forms and norms. Forms refer to both the institutional form of the TNGO as a charitable nonprofit and the governance structures of TNGOs. Norms refer to shared values and belief systems at both the sectoral and the organizational levels of analysis.

The architecture dates back to ancient traditions of religious almsgiving in which, for often spiritual reasons, value and virtue are consummated in the act of giving itself (Davies 2014). Modern charities emerged much more recently as specific institutional forms designed to implement donor intentions. In many wealthier countries such as the United States, the numbers of charities grew rapidly throughout the twentieth century, catalyzed in part by favorable tax policies (Arnsberger et al. 2008; Hall 2016). The numbers of TNGOs increased in the years following World War II and especially since the 1970s (Chabott 1999) as the United States and other countries engaged in post-war reconstruction, and later, broader international development efforts in Asia, Latin America, and sub-Saharan Africa. By the end of the twentieth century, TNGOs had become essential intermediaries in bilateral and multilateral aid chains, eventually becoming powerful autonomous actors capable not only of implementing, but also of influencing state policies.

Since World War II, TNGOs’ aspirations, missions, and strategies have substantially evolved and expanded (Schmitz 2020; Siméant 2014), while the architecture in which they remain embedded has largely remained stagnant (Mitchell, Schmitz, and Bruno-van Vijfeijiken 2020). For example, Amnesty International was founded in the 1960s focusing narrowly on helping individual prisoners of conscience. It evolved over time into a global actor claiming to address the root causes of human rights violations by campaigning for a range of international treaties (Clark 2001), including the United Nations Convention against Torture (1987) and the International Criminal Court (2006). Among humanitarian and development TNGOs, Northern-based organizations continuously evolved their strategies to move beyond charitable service delivery activities. In the 1990s, many embraced rights-based approaches to development to signal a focus on the root causes of poverty found in persistent discrimination and inequality (Nelson and Dorsey 2018). By the early decades of the twenty-first century, TNGOs had transformed from conventional charitable intermediaries seeking to ameliorate deprivations to self-proclaimed agents of fundamental change committed to accomplishing lofty missions involving not just aid delivery but also the solving of major social, political, economic, and environmental problems. Over time, relatively traditional operational strategies and narrow mandates focused on short-term aid gave way to multi-mandate organizations and their pursuit of long-term, sustainable, complex systems change. In short, the evolution of TNGO missions and strategies represents a significant departure from the sector’s charitable origins.

The architecture in which TNGOs operate presents major challenges for TNGOs attempting to embrace more transformative roles. Table 2 summarizes these challenges.

Control Failure

Nonprofits are fiduciary agents of donors. This can lead to so-called control failure (Ben-Ner 1994) because those that a TNGO claims to serve rarely have
significant decision rights in an organization’s governance apparatus. This issue has given rise to significant criticism of TNGOs and charges of “white saviorism” exercised by Northern donors (Cole 2012). Indeed, a recent study of humanitarian TNGO boards in the Global North found that less than 20 percent of board members came from the Global South and only 2 percent had lived experience as a TNGO beneficiary (Worden and Saez 2021).

Control failure can occur within a national NGO or throughout a transnational NGO. For example, many of the largest and most well-known TNGOs were either founded in the Global North or their largest members are located in the Global North. Thus, the governance structures of many large TNGO families reflect and reproduce global patterns of inequality. While individual TNGOs may attempt to institute governance reforms to address this structural inequality, they still must
operate within a legal and normative architecture that—by design—privileges upward accountability to wealthy elites in the world’s richest countries.

**Goal Displacement**

The modern institutional form of the nonprofit is predicated on the axiom that reliable information about outcomes is unavailable (Mitchell and Calabrese 2020). One implication is that performance cannot be productively incentivized, rewarded (Steinberg 1990), or regulated at scale. In lieu of outcome information, financial data are widely used for assessing fiscal probity as a proxy for performance measurement. Because fiscal probity is rigorously surveilled, but mission performance is not, nonprofit managers face strong material incentives to conform to fiscal probity norms but do not necessarily face the same material pressures to optimize mission performance. The lack of systemic performance monitoring gives rise to a norm of a weak outcome orientation that conflicts both with the growing ambitions of TNGOs and stakeholder expectations for TNGOs to demonstrate their impact with credible evidence. Indeed, research has shown that TNGO leaders in the United States feel primarily accountable to their donors and for their finances (Schmitz, Raggo, and Bruno-van Vijfeijken 2012), with some TNGO leaders going so far as to define organizational effectiveness as overhead minimization (Mitchell 2013). The prevailing accountability model incentivizes TNGOs to measure organizational success in financial terms. Over time, financial and mission goals can generate conflicting strategies and complicate managerial decision-making (Mitchell 2018).

**Successful Failure**

In principle, TNGOs and other organizations can succeed financially even while failing to advance their missions (Meyer and Zucker 1989; Seibel 1996). Donors are not necessarily purchasing services for third parties, but may be purchasing “warm glow” or “licenses to feel good” from organizations (Andreoni 1990; Mitchell and Calabrese 2020). No mechanism exists that would reliably force ineffective TNGOs to fail and exit, and indeed, exit rates in the US nonprofit sector are relatively low (Harrison and Laincz 2008). Thus, TNGOs that continue to provide ineffective, unwanted, or unnecessary programs can theoretically survive indefinitely simply by satisfying self-interested, warm glow–type donors. For such donors, it is rational to remain intentionally ignorant (Pritchett 2002). Such “strategic ignorance” guarantees that donors cannot be disappointed by potentially unfavorable evidence. At a societal or global level, TNGOs create a satisfying illusion that “something is being done,” even as social, political, and environmental problems persist or worsen.

**Depoliticization**

TNGOs have been criticized for substituting perpetual aid and charity for long-term sustainable solutions (Jaeger 2007; Barber and Bowie 2008), leading some TNGOs to commit to undertaking more advocacy and campaigning aimed at root causes. In providing only traditional aid, TNGOs might inadvertently alleviate pressure for decisive political action, potentially prolonging harmful conditions. However, TNGOs are limited in the extent to which they can engage in transformative political action. In many countries, TNGOs are expressly prohibited from political activity and can have their charitable status revoked for participating in politics. In the United States, for example, charities are prohibited from electioneering, while lobbying activities are limited to an “insubstantial part” of an organization’s overall

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5The relevant theoretical literature explicitly acknowledges weak efficiency incentives as an unfortunate but acceptable side effect of the nondistribution constraint (see also Mitchell and Calabrese 2020).
activities. In Germany, organizations such as ATTAC and Campact have lost their public benefit status for engaging in political activity (Civic Space Watch 2019; Krämer and Diefenbach-Trommer 2021). Greenpeace New Zealand only obtained charitable status in 2020 after more than a decade of legal struggles against government charges that its environmental advocacy does not advance the public benefit (McGregor-Lowndes and Frances 2020). There are also indirect effects of such policy restrictions, which shape the behavior of major private funders, including foundations, and directly undermine successful policy advocacy (Shanks and SoRelle 2021). Such restrictions cohere with the norms of the architecture in which politically transformative actions fall outside of the scope of appropriate charitable behavior. Indeed, empirical research on US-based TNGOs has found that traditional service delivery strategies are far more pervasive than those aimed at transformative change through advocacy and grassroots mobilization (Mitchell 2014a).

IR scholars have often taken for granted the advocacy roles of TNGOs, but organizations such as Amnesty International or Oxfam have spent decades conducting internal debates about the appropriateness of campaigning activities. Some have also faced regular scrutiny of domestic regulators investigating if the organization had violated charity laws (Black 1992, 278–84). Similarly, Amnesty International faced substantial resistance when it adopted global campaign strategies as a means of complementing its original, charitable emphasis in adopting individual prisoners of conscience (Hopgood 2006). Depoliticization is a likely consequence of the institutional form of the TNGO and of sectoral norms that portray advocacy and political campaigning as questionable actions for charitable nonprofits.

Undercapitalization

The tax benefits that charitable nonprofits often enjoy have been justified as corrections to the significant capitalization constraints that nonprofits face (Hansmann 1981a). Such benefits partially compensate nonprofits for their reduced ability to capitalize through equity financing, albeit at the cost of a greater dependency on donative income. In short, nonprofits (1) cannot raise funds by selling equity shares to investors, (2) typically have limited access to debt, and (3) face reduced incentives to grow through mergers and acquisitions.

First, the nondistribution constraint prevents nonprofits from raising funds through the sale of equity shares. Nonprofits are often said to have no owners, or rather to have “attenuated ownership” (Steinberg and Galle 2018). Although controlling persons can determine how a nonprofit’s assets are to be used, they are prohibited from personally (excessively) benefiting from the sale, acquisition, or use of a charity’s assets. Thus, as charitable nonprofits, TNGOs cannot raise money from investors willing to risk their capital in exchange for future earnings. Any capital appreciation or future earnings must be used for the benefit of the organization and cannot be returned to investors. The nondistribution constraint thus eliminates a major source of capitalization for TNGOs.

Second, charities that derive their income mainly from contributions and gifts (rather than from service fees or government contracts, for example) may have difficulty borrowing to finance growth. Research in the United States reveals that relatively few nonprofits have any financial debt at all and those that do have very little debt (Calabrese and Grizzle 2012). Additionally, donors tend to reduce contributions to highly indebted nonprofits that may be perceived as risky. Lenders may be hesitant to finance charitable nonprofits for a variety of practical reasons. For example, in countries such as the United States, lenders cannot force charities that default on loans into bankruptcy because charitable assets are legally protected. Charity bankruptcies are thus relatively rare; more likely an insolvent charity would simply dissolve and its assets transferred to other organizations for charitable purposes. After all, a bailout of a donative charity would essentially require donors.
to repay creditors—a transaction of likely limited appeal to donors. Thus, TNGO growth is constrained by borrowing difficulties.

Third, some TNGOs rely on substantial government grants for their program activities. These grants come with significant reporting requirements to ensure that taxpayer dollars are appropriately spent on intended programs. Research has shown that TNGOs relying more on government grants than their peers also spend relatively more on program activities, rather than administrative and other expenses (Lu and Zhao 2019). While taxpayers may prefer only supporting program activities, this attitude may contribute to undermining the long-term effectiveness and sustainability of TNGOs (Eckhart-Queenan, Silverman, and Etzel 2019).

Fourth, the TNGO sector lacks the infrastructure that the for-profit sector enjoys to support strategic mergers and acquisitions (M&A) that could improve efficiency and scale. Board members and potential financial supporters lack the lucrative financial incentives found in the for-profit sector, resulting in a lowered capacity to explore or even consider M&A as a strategic option. Instead, M&A is often undertaken when an organization is experiencing financial distress (Smith Milway, Orozco, and Botero 2014). This reduces the ability of TNGOs to leverage M&As to achieve rapid growth and strategically acquire new capabilities.

Given these capitalization constraints, along with general funder aversion to supporting indirect program costs (Allen, Tuomala, and Eckhart Queenan 2013; Gneezy, Keenan, and Gneezy 2014; Lecy and Searing 2015; Qu and Daniel 2020), TNGOs must undertake costly and lengthy capital campaigns to raise significant funds. This delays or may even prohibit needed investments in core organizational capacities and new or expanded programs. The overall effect is that TNGOs struggle to gain new capacities and to achieve operational scales commensurate with the scales of the problems they seek to address, such as global climate change.

**Procyclicality and Discontinuity**

As charitable nonprofits, TNGOs are expected to project fiscal leanness by minimizing profits and reserves while also channeling a high proportion of income to current programs (Mitchell 2017). Many information intermediaries, including so-called charity watchdog organizations, assign unfavorable designations to nonprofits that have higher administration and fundraising expense ratios, debt ratios, and financial reserve levels. Indeed, research has long demonstrated that donors respond negatively to high fundraising and management costs (Charles, Sloan, and Schubert 2020). The norm is that virtuous charities do not hoard donations but are instead “sufficiently needy” in that they do not retain substantial net earnings or maintain substantial financial reserves. Information intermediaries evaluate charitable nonprofits in accordance with charities’ adherence to these norms, creating powerful financial incentives for compliance (Mitchell and Calabrese 2019). Indeed, even in relatively wealthy countries, charities on average maintain low levels of financial reserves (Calabrese 2018; Cortis and Lee 2018). Such reserve minimization has practical consequences that can harm charities and their missions, especially during economic downturns when their services are needed most. Recent empirical research on charitable nonprofits in the United States has suggested that conformance with the sector’s financial norms is associated with a significant reduction in mission impact over time (Mitchell and Calabrese 2022). Moreover, the COVID-19 pandemic exposed weaknesses in the charitable sector, with foundations and governments forced to provide rescue packages to ensure that nonprofits could continue their service to vulnerable populations (Johnson, Rauhaus, and Webb-Farley 2020).

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4 Certain nonprofit subsectors are more immune from these expectations, including universities and hospitals in the United States, which often maintain significant endowments or rely on income from fees-for-services.
In times of crisis or recession, charitable giving typically falls while demand for charitable services rises. If charities have low reserves, they may be forced to lay off staff and cut programs when demand is highest. It also may force nonprofits to increase fundraising activity to meet shortfalls when fundraising is least efficient and most costly (Mitchell 2017). Charities could, in principle, borrow to fill budget gaps, but the difficulties mentioned above are only amplified during periods of economic recession. Charities are expected to remain fiscally lean and to maximize spending in the current period rather than to save or borrow. For TNGOs, this contributes to procyclicality, program discontinuity, talent loss, and forgone income, services, and impact.

Discussion

TNGOs are first and foremost nonprofits. While IR has emphasized the nongovernmental character of TNGOs, it has largely neglected the significance of the specific institutional form that TNGOs typically adopt, the form of the charitable nonprofit organization. Understanding TNGOs as charities calls attention to specific institutional features that inhibit the ability of TNGOs to address their acknowledged shortcomings. Emphasizing the nongovernmental character of the TNGO, rather than its nonprofit institutional form, downplays the reality that TNGOs are fundamentally organizations (Stroup 2012, 6). TNGOs exist within a specific normative and cultural architecture, and their “nonprofitness” affects their organizational choices and actions. Downplaying the nongovernmental aspect of these organizations, in contrast, merely recognizes that many TNGOs rely on government funding, implement government policies, and often have more power than local partners and communities (Mitchell and Schmitz 2019).

There are three principal ways in which attention to the architecture will improve IR scholarship on TNGOs. First, existing accounts of TNGO struggles (see table 1) have offered incomplete explanations for the challenges faced by the sector. Specifically, existing explanations consider what happens to TNGOs in advanced stages of their lifecycles and blame growth and success for generating undesirable predicaments. In contrast, the focus on the architecture draws attention to how TNGOs are constituted as organizations no matter their size and power. This account explains TNGO struggles as being endemic to the nonprofit institutional form and the normative demands associated with being nonprofit.

TNGO struggles have not necessarily been exacerbated over time due to growth or professionalization. Rather, TNGOs face increasing difficulty because their own efforts at reform and adaptation exceed the affordances of the architecture in which they operate. As TNGOs attempt to become more legitimate, accountable, effective, and relevant, they discover that the architecture in which they are embedded is inconducive to making desired changes and adopting new roles. For example, as charitable nonprofits, TNGOs must often prioritize upward financial accountability to Northern funders over beneficiary voice and program relevance, forgo the economies of scale necessary to successfully tackle global problems, avoid politicization that addresses root causes, and tolerate avoidable discontinuities that can repeatedly gut organizational capacities and cause harms to intended beneficiaries.

Second, existing explanations of TNGO struggles make general claims with limited references to specific mechanisms that produce adverse conditions for the sector. The paradoxes of scale and authority as well as the changes in sectoral density suggest an inevitable lifecycle in which initial success leads to subsequent failure. In contrast, a perspective informed by nonprofit theory does not view sectoral growth or global recognition as inherently harmful. Instead, it posits that the architecture acts as a constraint on the ability of TNGOs to realize expanded missions and more complex strategies for social and environmental transformation. In contrast to existing explanations of TNGO struggles, the success of the sector is not necessarily
the problem. The problem is that to successfully respond to their critics with appropriate reforms, TNGOs must make changes that would contradict the architecture.

Third, the focus on the architecture provides more detailed options for individual organizations and the sector overall to address their problems. Existing accounts deliver very limited options for individual organizations, such as remaining small or occupying a particular niche in a hostile ecosystem. This is troubling because larger TNGOs generally have greater abilities not only to create global impact but also to challenge the architecture itself. In contrast, when focusing on the adverse effects of the architecture, actionable items emerge from the problem diagnoses. For example, this perspective suggests that changes in the legal framework governing charitable organizations could alleviate some of the constraints on TNGOs. Such changes could include inclusive governance requirements, the development of mission performance accounting standards, and changes to lobbying and electioneering rules, for example. Recognition of the architecture also draws attention to how TNGOs are constructed more broadly as cultural objects in public discourse. Most broadly, TNGOs could do more to educate the general public and their own financial supporters about what it means to be a TNGO, why contemporary TNGO missions and strategies have evolved in the ways that they have, and how and why TNGOs today desire to work differently than “charities” did when the modern architecture became ossified. More narrowly, TNGOs can seek to influence public opinion on more specific issues. For instance, many nonprofit stakeholders and alliance organizations have campaigned for some time against the “overhead myth” to reframe overhead costs as core mission costs, emphasizing the mission rather than financial dimension of being nonprofit (Ogden et al. 2009; Harold 2014).

In addition to addressing regulatory neglect of the nonprofit sector (Anheier and Toepler 2019), TNGOs could also select different institutional forms. Many TNGOs around the world already adopt a multiplicity of organizational forms, including charitable and noncharitable nonprofits, for-profits, and social movements. In the United States, TNGOs could seek to incorporate related entities as public benefit corporations or social welfare organizations. They could also adopt various hybrid structures through affiliates. An example for this type of organizational evolution is the TNGO Corus, which emerged in 2020 based on a merger of two TNGOs, Lutheran World Relief and IMA World Health, as well as the acquisition of the for-profit entities CGA Technologies and Farmers Market Coffee (Rivera 2020). However, only contributions to “public charities” are currently tax-deductible for donors under US law, creating a powerful financial incentive to maintain the status quo.

Conclusion

As TNGO scholarship in IR has matured, research can benefit from a greater understanding and appreciation of the significant architectural challenges that TNGOs confront as they struggle to improve and reform. Current accounts focusing on the adverse consequences of sectoral growth and professionalization do not sufficiently take into consideration the fact that TNGOs are nonprofits. As TNGOs acknowledge the limitations of their actions and attempt to answer their critics with innovative reforms, they confront an ossified architecture that severely constrains their potential for change.

Recognizing the constitutive role of “nonprofitness” improves our understanding of TNGOs in three important ways. First, it identifies TNGOs first and foremost as nonprofits, not principally as “nongovernmental” organizations. This allows researchers to better understand how these organizations are embedded in a particular architecture of forms and norms, rather than assuming that they are fully independent agents advancing public goals. Second, the architecture as a theoretical framework generates specific expectations about TNGO behavior and offers possible solutions to many TNGO problems. In contrast to prior explanations that
blame TNGO struggles on the allegedly inevitably corrupting effects of growth and success, interrogating the architecture reveals how TNGOs are constrained by institutional forms and sectoral norms that are neither inevitable nor immutable, and once understood, can be changed. Third, the perspective proposed here thus suggests that changes in the architecture, including innovations in organizational form, are promising means of addressing TNGO struggles.

The argument advanced here does not claim structural determinism across time and place. TNGOs have agency in how they respond to architectural constraints, for example, by managing their funding sources (Mitchell 2014b), moving their offices to the Global South (Moorhead and Sandler 2015), or addressing diversity and inclusion issues (Ojelay-Surtees 2004). Although the architecture is a broadly global phenomenon, the specific forms and norms that constitute it in any particular place and time will vary. There is also great diversity in the TNGO sector with regard to how organizations respond, and try to resist the harmful effects of the nonprofit architecture.

There are ongoing debates in the TNGO sector about how to redefine the overall roles of TNGOs in response to calls for decolonizing aid and ending the dominance of Northern-based activists. Some suggest narrowing the role of TNGOs to focus primarily on producing research or campaigning in their wealthy home countries, while other ideas include moving away from advocacy and service delivery (Tallack and Bruno-van Vlijmen 2022). New roles could involve Global North TNGOs transitioning into fundraising arms in support of Global South priorities, facilitating rather than leading activism, explicitly empowering neglected populations, and embracing more iterative and experimental approaches with room for failure (Bond 2015, 22). These ideas have been considered for some time, but the current architecture is likely to frustrate their realization and broad adoption.

The emphasis on the architecture opens up a number of new research avenues. First, IR scholars should pay greater attention to the governance structures, institutional forms, and cultural norms that define the TNGO sector. Specifically, scholarship should seek to understand the practical significance of being nonprofit. Research examining TNGOs that have adopted multiple institutional forms (and why) or that have switched forms could prove to be particularly insightful.

Second, there is potential to engage in cross-national comparisons of TNGOs based on variations in domestic legal and normative frameworks. While this article suggests broad cross-national similarities with regard to the architecture, earlier research has also pointed to the importance of differences in tax policies and national cultures (Stroup 2012). Future research could assess, for example, how advocacy, lobbying, and political activities vary based on institutional form and national cultural norms. For IR scholars, this promises expanded knowledge about the core factors shaping this type of transnational activism. Regulatory practices in less hospitable national environments for TNGOs also deserve greater attention (Anheier, Lang, and Toepfer 2019; Toepfer et al. 2020; Dupuy, Fransen, and Prakash 2021; Smidt et al. 2021).

Finally, one practical effect of the architecture is to offer activists and reformers the possibility of transformative change while simultaneously and subtly protecting and preserving the status quo. As such, it is worth considering whether the limits that the architecture places upon TNGOs are better interpreted as the result of historical accident, as an artifact of state capture, or as the result of some other identifiable process. Although such a question is unlikely to be decided empirically, it may be a useful point of departure for future historical and theoretical scholarship.
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