

Princeton University
Woodrow Wilson School
Graduate Program

Fall Term - 2004

WWS 504
**Policy Issues and Analysis of Nonprofits,
NGOs, and Philanthropy**

Prof. Julian Wolpert, Stanley Katz, et al.

Class: Tuesday, 1:00 - 4:10PM
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Nonprofits (including NGOs) are assuming a larger service role in the U.S. as well as in the rest of the world. The growth in the nonprofit sector and philanthropy has been accompanied by growing diversity, more complex organizational structures, and greater attention by the policy community. The quality of literature about the sector has also grown enormously in recent years thanks to improved data and analyses and the greater linkages among research, policy, and practitioner communities.

The objectives in this course are to familiarize students with the high profile policy issues at international, national or local levels. The course emphasizes what the public and its policy makers need to understand about how philanthropy, nonprofit, and NGOs sector operate, their niche alongside private and public sectors, their revenue sources, how they impact society, and in turn are affected by society and its institutions; and what philanthropy and nonprofit organizations need to understand about the policy making process.

Policymakers in the U.S. and abroad are now paying increased attention to the role of nonprofits and philanthropy in addressing a wide range of social, educational, community development, environmental, and health problems. Prominent current concerns include: the benefits and hazards of nonprofit reliance on government support and of overseas support for Third World NGOs; advantages and dangers of faith-based service provision; nonprofit accountability and transparency; partisan advocacy and lobbying by conservative and liberal nonprofits; incentives for tapping new philanthropic wealth; and the functional and dysfunctional effects of government regulations on nonprofits and NGOs and their service users.

Course Structure

Lectures will be supplemented by presentations by visitors from nonprofits, foundations, public interest groups, and government officials. Students are expected to prepare for class sessions through careful reading of the items on the reading list. Students will prepare brief study reports based upon topical assignments of nonprofit policy issues. The midterm and final examinations will focus on interpretation and critical evaluation of the readings and lecture material. Students may substitute a specialized project and paper relating to their specific interests in place of the final examination. Evaluation will be based on: study reports 30%; midterm examination 30%; final examination or project 30%; and class participation 10%.

READING ASSIGNMENTS

Text - on reserve in the WWS Library and available for purchase at the U Store
[LMS] Salamon, Lester M. *The State of Nonprofit America*. Brookings, 2003

A number of readings can also be found (available at Stokes Library) in:
[JSO] J Steven Ott. *The Nature of the Nonprofit Sector*. Westview, 2001

Journal -
NVSQ = *Nonprofit and Voluntary Sector Quarterly*

Topics for course sessions

1. Introduction.

What are nonprofits and NGOs? How do they affect society and policy and how are they in turn affected by policy? What is the nonprofit sector and its parts and how are they related to civil society, altruism, generosity, charity, volunteerism, and philanthropy? How does the nonprofit sector differ across nations? What are the important concepts, definitions, organizations, books, journals, reports, data resources, and prominent policy issues?

LMS – Ch. 1

JSO -- Ch. 1-3

Linda Lampkin and Elizabeth T. Boris, “Nonprofit organization data,” *American Behavioral Scientist* 45(11) July 2002 pp.1675-1715.

“The global associational revolution: the rise of the third sector on the world scene,”
Ch. 15 in Lester M. Salamon. 1995. *Partners in Public Service*. John Hopkins University Press

Lester M. Salamon. 1998. *Nonprofit Sector in the Developing World: A Comparative Analysis*

L. David Brown and Archana Kalegaonkar. 2002. “Support organizations and the evolution of the NGO sector,” in *NVSQ*, 31(2), June 2002, pp. 231-58.

Scan entire issue devoted to NGOs in *NVSQ*, 31(3), Sept. 2002.

2. Beneficiaries – individuals, institutions, and communities

Who benefits from philanthropy, nonprofits, and NGOs? The role of nonprofits and NGOs in service provision and advocacy, varieties of public and social benefit, distributive impacts among beneficiaries, and effects on public policy. The measurement of benefits.

LMS – Ch. 17 and select one chapter from chapters 2-6

JSO -- Ch. 7

3. Niche Issues

What is the nonprofit and NGO niche in a three sector economy that also includes public and private sectors? How do nonprofits and NGOs function as “agents” of government and still preserve some independence? Do nonprofits crowd-out public sector provision of services or are they crowded-out by government? How do some nonprofits function much like private firms? Why are nonprofits and NGOs growing faster than the public and private sectors? Why are some nonprofit service sectors growing faster than others? Do nonprofits compete unfairly with private service firms?

LMS – Ch. 13-14

JSO - Ch. 13, 15-16, 18, 34

Lester M. Salamon and Helmut K. Anheier. 1997. "The Third World's Third Sector in Comparative Perspective," Working Paper #24. The Johns Hopkins Comparative Nonprofit Sector Project.

scan Ian Smillie and John Hailey. 2001. *Managing for Change: Leadership, Strategy and Management in Asian NGOs*. London: Earthscan.

4. Comparative Advantages and Perks

The comparative benefits and disbenefits of nonprofit and NGO delivery of selected services vs. provision through private and public sectors. How do selective handicaps and incentives affect operations of nonprofits and NGOs and their charitable support? How do nonprofits raise capital to support their operations? Is nonprofit exemption from property and other taxes warranted?

JSO -- Ch. 11-12

5. Autonomy and Donor Discretion among Foundations and Other Philanthropists

What is the agenda of charity and philanthropy and how do they differ? What is the niche for private donations, corporate grants, and community and philanthropic foundations? Why don't foundations spend their assets at a faster rate and target their grants more strategically or more equitably? What accounts for the localism bias in grantmaking and for international support for NGOs in Third World nations. What is the scope of *venture philanthropy* and *social entrepreneurs*?

LMS – Ch.11-12

JSO – Ch. 26-27

6. Revenue Dependency

Financial stability and survival. Are nonprofits and NGOs becoming much like private firms or agents of government and large donors? The growing reliance of nonprofits on service fees, government contracts and NGOs dependent on overseas grants. How do nonprofits and NGOs diversify their revenue sources to reduce this reliance?

JSO – Ch. 25, 30-31

Elizabeth T. Boris and C. Eugene Steuerle, eds. 1999. *Nonprofits and Government* Washington: Urban Institute Press.

7. Advocacy

Should nonprofits and foundations become more partisan and more pro-active in lobbying and mobilizing for policy change? Constraints and restrictions on advocacy and lobbying. The role of advocacy organizations on the Right and Left and their foundation supporters.

JSO – Ch. 20-21

Julie Fisher. 1998. *NGOs and the Political Development of the Third World*. Kumarian

Press

scan Theda Skocpol and Morris P. Fiorina, eds. 1999. *Civic Engagement in American Society*. Brookings.

scan Ronald G. Shaiko. 1999. *Voices and Echoes for the Environment: Public Interest Representation in the 1990s and Beyond*. Columbia University Press.

8. Nonprofit, NGO, and Foundation Professional Careers and Volunteerism

Why salaries and benefits cannot be too generous. Donor organizations, nonprofits, and NGOs as places to work. Wages, benefits, and labor force conditions among nonprofits, and use of volunteers and board members.

9. Trust and Transparency

Why don't societies have greater confidence and trust in nonprofits and NGOs? What are the nonprofit and NGO abuses that are of interest to donors and policy makers? Why should nonprofits be more transparent and accountable than private business? Why aren't foundations more responsive to current needs?

LMS – Ch. 15

Darcy Ashman. "Strengthening north-south partnerships for sustainable development," *NVSQ* 30(1), March 2001 pp.74-98.

L. David Brown and Mark H. Moore, "Accountability, strategy, and international nongovernmental organizations," *NVSQ* 30(3) Sept. 2001, pp. 569-587.

10. Nonprofits and NGOs as Public Goods?

Do nonprofits and NGOs need greater regulation? Balancing the comparative advantages of nonprofit and NGO independence vs. societal and governmental priorities. The complexities of monitoring, evaluating, and regulating nonprofit and NGO impacts.

JSO – Ch. 10, 35-36