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## **The Internationalization of the Nonprofit Sector - Part 1: The Internationalization of Domestic Nonprofits**

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# The Internationalization of the Nonprofit Sector

## Part I: The Internationalization of Domestic Nonprofits<sup>1</sup>

John Casey\*

### Introduction

In 2016, Toastmasters, the California-based nonprofit public speaking club, expanded its operations to the West Bank in the Palestinian Territory. The new club in Ramallah was established by a group of young Palestinians who had lived in the US and decided to replicate the organization back home. Toastmasters, founded in the 1920s, seems like the quintessential US nonprofit organization that would have little relevance in other cultures, yet it operates successfully in 143 countries.

Just as nonprofit organizations<sup>2</sup> have become increasingly influential at national levels around the world, there has been a corresponding escalation of the international activities of the “third space” between governmental structures and the marketplace. The current wave of globalization has increased the number of cross-border connections in almost every sphere of modern life, and the nonprofit sector is no exception (Anheier 2014; Batliwala and Brown 2006; Casey 2016; Boli 2006; Lewis 2014; Schechter 2010).

Most literature on the international dimensions of the nonprofit sector focuses on organizations created deliberately to work in the international arena. Equally significant are the international contacts and collaborations between domestic nonprofits in different countries, and the phenomena of previously domestic nonprofits expanding their operations to other countries. This paper explores the various globalization dynamics fostering the international work of previously domestic nonprofits.

### International Contacts and Cooperation between Domestic Nonprofits

There are almost endless examples of growing international contacts and collaborative relations between organizations that continue to maintain a primarily domestic focus. In a globalizing world, with its ease of Internet communications and the relative low cost of travel, few nonprofits have not entered into some exchange with counterparts in other countries, even if these are as modest as entertaining foreign professionals on fact-finding tours, visiting foreign counterparts while travelling, touring internationally to disseminate or perform the work of the organization, or participating in international forums of organizations working in the same field.

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<sup>1</sup> This Occasional Paper is based on material from Chapter 6 of *The Nonprofit World: Civil Society and the Rise of the Nonprofit Sector* (Casey 2016). It is presented in two parts. Part I addresses the internationalization of formerly domestic nonprofits; Part II documents the growth in international nonprofit organizations.

<sup>2</sup> This paper uses the terms *nonprofit organizations* and *nonprofits* to refer to voluntary, non-government, not profit distributing, social mission entities and associations. Other commonly used terms for these organizations include *civil society*, *community-based*, *nongovernment (NGO)*, *philanthropic*, *social*, *third sector* and *voluntary*.

While individually each of these contacts may appear to have limited significance, their cumulative effect has been much greater, enhancing international dialogue on nonprofit policy and practice. For domestic nonprofits from industrialized democratic countries, international contacts may primarily involve professional development or an effort to better understand international good practice. It may also stem from a desire to create international solidarity networks to facilitate advocacy work in global arenas.

Nonprofits in developing and authoritarian countries have additional incentives for international outreach as they often lack domestic sources of funding, and their activities may be proscribed by the authorities. Many nonprofits in aid-recipient nations receive the majority of their funds from external sources and often look to external supporters to help ensure a certain measure of protection for their work. To survive and thrive they must have the capacity to plug into international networks. Casa Amiga, a relatively small, one-facility nonprofit that supports victims of gender violence in Ciudad Juarez, Mexico, lists on its contributors page the governments of Canada, U.S., Germany, Spain and Holland, multilateral institutions such as the European Union and the Inter-American Development Bank, as well as numerous philanthropic foundations and multinational corporations from Europe and the Americas. External support is not without peril, however, and in recent years a number of governments have moved to restrict external funding of nonprofits, branding it as foreign interference in internal affairs (International Center for Not-for-Profit Law 2013).

### **Networks, Movements, Coalitions and Collaborations**

Casual or sporadic international contacts are often the precursors to more stable relationships between nonprofits in different countries as loose, informal networks with fluid membership often coalesce around an anchor organization. Some of these alliances engender formally constituted organizations created specifically to manage relations between collaborators in different countries and to lobby on their behalf, but many others are more informal. A network secretariat may be housed in one of the more active promoters, or the network may operate without a fixed central coordinating body. The International Rehabilitation Council for Torture Victims (IRCT), based in Copenhagen, Denmark, is the umbrella organization for 144 independent organizations in over 70 countries that work on the rehabilitation of torture victims and the prevention of torture. It began as the outreach and professional exchange program of the Danish Rehabilitation Council for Torture Victims, established in 1973, which had become a world leader in treating torture victims. The IRCT was founded in 1985, initially as the international arm of the RCT. In 1997, it became an independent international membership organization.

There are also global political and social movements that generally eschew traditional organizational structures. The anti- and alter-globalization movements, the solidarity campaigns that support indigenous struggles or nationalist movements such as Zapatistas in Chiapas, Mexico, and the Occupy movements, often operate at the margins of the more formal nonprofit sector. They generally have a looser structure, both within the individual member entities and in the networks they create, and some may deliberately shun any attempt to define them as part of the formal nonprofit sector, preferring to identify them as a movement, network or alliance. Nevertheless, they are often supported by organizations formally constituted in their own countries as nonprofit organizations.

The North-South dimensions of networks present particular challenges, with the richer, more powerful Northern groups often accused of speaking on behalf of the South. Increasingly, Northern domination is being tempered by more independent ownership in the South through the emergence of stronger local nonprofits. North-South collaborations continue to be controversial, with claims that they do little more than whitewash ongoing power differentials and that they are often used to shift blame for failures to Southern partners that cannot meet the terms imposed by North (Abrahamsen 2004). Less political challenges can also create problems. For example, the founding statute of a network or federation may state that each

member must pay its own way to annual international general meetings—a reasonable provision when all members were from the economic North—but this becomes less viable when organizations from poorer nations join the network.

Power imbalances and cultural differences can also lead to inequities in participation. Thus the statement by an observer at the nonprofit forums that ran parallel to the 1992 UN Earth Summit who said, “the Africans were watching, the Asians listening, the Latin Americans talking, while the North Americans and Europeans were doing business” (Colás 2002, 154).

### **Domestic Nonprofits Internationalize**

Many formerly domestic organizations have chosen to go global, either by extending membership across borders, seeking to replicate the work they do abroad, or by merging with similar organizations in other countries. These efforts transcend the networks addressed in the previous section, as they reflect a deliberate choice to internationalize the work of an organization.

The size and economic power of U.S. nonprofits often means that nominally domestic U.S. organizations become in effect the international organization in their field. The Muscular Dystrophy Association, based in Tucson, Arizona, which focuses on supporting research on neuromuscular diseases around the world, was founded in the 1950s as the Muscular Dystrophy Association of America. It evolved into its current international identity in the 1970s as it increased its work with other countries. Numerous other U.S. nonprofits are going through similar processes. The National Association of Schools of Public Affairs and Administration (NASPAA), the U.S. professional association for university public administration programs, changed its name in 2013 to the Network of Schools of Public Policy, Affairs, and Administration, and adopted a new tagline, *The Global Standard in Public Service Education*, after receiving a growing number of requests for accreditation from non-U.S. programs. Such dynamics may lead to possible demarcation disputes with existing international associations or other large national associations that are operating internationally. In the case of NASPAA and public administration education, there is also the Brussels-based International Association of Schools and Institutes of Administration (IASIA – tagline *Improving Public Administration Worldwide*) that brings together universities and other public sector training institutions and professional associations from around the world (NASPAA is a member of IASIA, along with the American Society for Public Administration and a number of U.S. universities). In 2012, IASIA created its own accreditation system, the Commission on International Accreditation of Public Administration Education and Training.

Another significant dynamic involves various “global brands” or “franchises.” Organizations, such as the Red Cross, and the service clubs Lions, Rotary and Kiwanis, are early exemplars of global brands. In recent decades the number of these types of organizations has increased dramatically.

A global brand might be created simply by using the coda “without borders” inspired by the objectives and evocative name of Médecins Sans Frontières (Doctors Without Borders). There are currently more than 50 organizations and networks that use those words in their name (or close variants such as “without frontiers”). They include Librarians Without Borders, Bikes Without Borders, and Geeks Without Frontiers. Some are single international organizations, while others are global networks of national organizations that share that name.

Other replications of brands are a combination of the spontaneous adoption of approaches by those who have heard about the work being done in other countries, and a direct strategy of expansion by some organizations. In 1948, Fountain House opened its first Clubhouse in New York City, as a community for men and women with psychiatric illnesses. In the mid-1990s, Fountain House sponsored the establishment of the International Center for Clubhouse Development which, now operating as Clubhouse International, coordinates a network of 300 Clubhouses in over 30 countries.

The globalization of nonprofit brands can also be driven by the global aspirations of their commercial sponsors. The Australian clothing brand Cotton On, through its affiliated Cotton On Foundation, has established charitable projects around the world. It is the lead sponsor of the New York-based Global Citizen project which runs online anti-poverty campaigns and has organized solidarity concerts in New York's Central Park.

The globalization of nonprofit brands is dependent on how the model transfers to different cultures and administrative environments. GuideStar International is a project that seeks to replicate the GuideStar model of nonprofit transparency programs. In both the U.S. and U.K., the defining element of GuideStar is a searchable public database that provides easy access to the legal, financial and operational aspects of all registered nonprofits. In the U.S., the database is based on the information submitted in annual tax returns to the Internal Revenue Service, and in the U.K. it is based on reporting to the U.K. Charity Commission. But the GuideStar model seems to have been fully replicated so far only in Israel, although other countries have programs that partially replicate their model, usually through government regulatory agencies. In most countries, comprehensive, GuideStar-style data is not collected or easily accessible, and there is no equivalent on an international level, given the variations in definitions of nonprofits, regulating authorities, and the privacy status of financial and operational information.

The Boy and Girl Scout movement and the service clubs such as Lions have demonstrated that many seemingly culture-bound models can be successfully adopted around the world. In the past, the spread of such organizations was fostered by colonial structures and the deliberate expansion strategies of a few organizations. Now, expatriates and "returnees" who have lived or worked abroad colonize new territories with familiar nonprofit brands.

There has also been a marked increase in cross-border collaborations and grantmaking by foundations, and there is a growing subset of internationally-focused foundations that have established regional offices abroad to oversee their activities. The end of the Cold War freed foundations from the constraints imposed by their relations to the superpower blocs and has opened new arenas for international work, and the rise of corporate social responsibility programs by global corporations has injected considerable new funds into the sector (Hewa and Stapleton 2005). In the U.S., international grants as a portion of foundation giving has risen from around 5% in the early 1980s to near 27% in 2014 (Foundation Center 2014). Almost all global corporations now have foundations as part of their corporate social responsibility programs, and many governments have chartered national foundations to pursue a range of foreign "soft power" goals. The Fondation de France, the Qatar Foundation and dozens of other national foundations support a wide range of international programs. The wealthiest foundations are counted among the largest nonprofits in the world and the activities of mega-foundations, such as the Gates Family Foundation and the INGKA Foundation (associated with IKEA), have considerable international projection.

## Concluding Remarks

Operating free of sovereignty constraints, nonprofit organizations function similarly to for-profit organizations in their global aspirations, strategies and dynamics. The globalization of markets has its evident parallels in globalization of the third sector delivery of public and quasi-public goods and services, as well as in international advocacy, solidarity and collective action. The nonprofit mind-set and operational model is surprisingly tradeable. As this paper demonstrates, a wide range of nonprofit models have been successfully established around the world. But nonprofits seeking to operate in a global arena still face considerable challenges. Engaging globally requires formerly domestic organizations to closely examine their process to better understand how they can be adapted to the different economic, legal and social contexts in which they seek to operate. Particularly vexing is the question of funding, as many nonprofits derive their income from donations, government grants, and below market rate user fees. If the target country has little tradition of philanthropy, if its government is unable or unwilling to provide grants, if the population has little disposable income, will the nonprofit need to be supported by foreign funding or can the model be modified to operate independently in the new context?

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