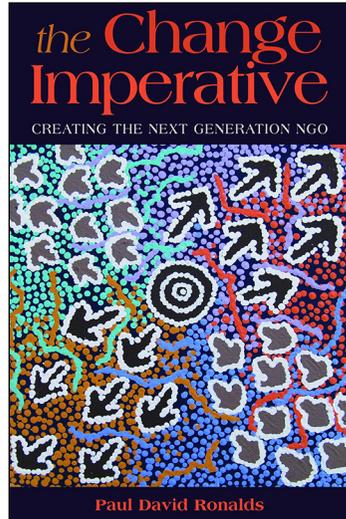


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The Change Imperative:  
Creating the  
Next Generation NGO

Paul David Ronalds

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## Introduction: In the Midst of a Revolution

The French intellectual and journalist Regis Debray claimed, “[W]e see the past superimposed on the present, even when the present is a revolution” (Debray 1967). In many ways, this myopia is at the heart of the challenge facing the largest international nongovernmental organizations (INGOs). They are in the midst of a revolution, but as they have grown and matured as global organizations, their ability to change and adapt has been seriously eroded. In addition, they do not always seem to appreciate the extent to which their strategic context has changed. As a result, they are at risk of being unable to respond to the myriad of challenges they face in the twenty-first century, losing relevance and failing to effectively fulfill their mission.

Although there are many different types of INGOs, this book focuses primarily on those involved in addressing issues of extreme poverty. Over the past ten years, the financial resources of some of the largest of these types of INGOs have grown dramatically. For example, the world’s largest aid and development INGO, World Vision, now has an annual budget of around US\$2.5 billion, larger than any single United Nations (UN) agency except for the World Food Program (WFP) and larger even than the gross national income (GNI) of some small African and European countries. For any organization, adequately responding to this level of growth would be an enormous management challenge in its own right. However, for large INGOs, this growth has also been accompanied by a dramatic change in the aid and development industry and in global politics.

At the beginning of the twenty-first century, there is unprecedented focus on global poverty. Inspired by global campaigns led by “celanthropists” like U2’s Bono and actress Angelina Jolie, solving global poverty has captured the imagination of a larger portion of today’s young people than ever before. There has also been an explosion in the number and variety of people and groups now engaged in tackling global poverty. Jane Nelson argues that the emergence of these new players, new models, and new sources of funds for development purposes “represents one of the most fundamental and rapid shifts in the history of international

**KEY POINTS:**

Over the past ten years, large INGOs have encountered fundamental change at three levels.

1. Global politics has become much more multilayered, complex, and fluid.
2. The aid and development industry has changed dramatically. The industry has become much more fragmented, there has been a dramatic rise in nonaid financial flows to developing countries, and we have seen the emergence of some powerful new actors.
3. Large INGOs have enjoyed enormous growth in their financial resources and influence. This has placed considerable strain on their management, people, and processes. It has also dramatically increased stakeholder expectations.

As a result, the greatest challenge facing large INGOs in the twenty-first century is to change and adapt faster than their strategic context.

development” (Nelson 2008, 160). This fragmentation of the aid and development industry is reflected in the dramatic decline in the importance of official development assistance (ODA). For example, in the 1970s, ODA funded 70 percent of the United States’ resource flow to developing countries. Now, 80 percent of such resource flows come from private citizens, corporations, NGOs, religious groups, and foundations (Nelson 2008, 149). In addition, continued environmental degradation and climate change, ongoing urbanization, a significant rise in food and energy prices, pandemics, and the global “security agenda” have created new challenges and seriously complicated the operating context for aid and development actors. INGOs have also had to respond to significantly increased expectations about their performance and accountability.

The growth in the size of INGOs and increased international focus on global poverty has occurred simultaneously with an enormous change in international relations. The bipolar world of the Cold War and the unipolar world that briefly followed have now given way to a much more multilayered, complex, and fluid international context. The rising power of China, India, and other developing economies have led to a seismic shift in relative power away from European and North American countries, demonstrated by the rise of the G20 as the world’s premier economic forum. These changes have been further complicated by the growing power of established non-state actors and the emergence of new players. In addition to INGOs and transnational corporations (TNCs) like McDonald’s and Coca-Cola, new megaphilanthropists like Bill and Melinda Gates, and international terrorist networks like al Qaeda are impacting the relative power of states and their decision making. Underpinning this diffusion of power are many features of contemporary

globalization. These features include technological innovations such as modern communications that limit states' ability to control information and ideas, international financial flows that limit states' macro-economic choices, and labor mobility, particularly of highly skilled professionals and a cosmopolitan "elite."

The growth in the size and influence of the largest INGOs combined with the dramatic changes that are occurring in both the aid and development industry and in international relations creates significant strategic challenges. If large INGOs are going to continue to effectively fulfill their mission, they will need to respond to these changes by undergoing significant organizational change. However, in the past, achieving such change in large INGOs, with their disperse governance and horizontal power structures, has been difficult and slow. Despite the revolution that has been taking place around them, large INGOs sometimes appear to underestimate the extent to which their strategic context has changed, with profound implications for their future relevance in international relations, their mission, and their organizational sustainability. As a result, whether large INGOs will be able to undertake the necessary organizational change in the time frames now being demanded of them seems, at best, uncertain.

This, then, is the purpose of this book—to examine the "revolution" taking place around INGOs and consider, in particular, whether some of the largest INGOs are equipped to operate in the international context of the twenty-first century, what critical organizational changes are necessary to allow them to effectively respond to the changed international context, and how they may successfully affect such changes.

## Definitions

Before moving to more substantive issues, it is important to be clear about the terminology used in this book. Terms such as "civil society," "global civil society," "the third sector," "nongovernmental organization," "nongovernmental development organization," "charity," "voluntary organization," "community service organization," and "nonprofit organization" are all used to varying degrees in the literature and by practitioners in different contexts and countries (Lewis 2007). Sometimes different acronyms are even used for the same term—a testament to the way that the aid and development sector has turned the practice of developing acronyms into an art form. Few of the terms are applied consistently—there are almost no agreed definitions, and some of the terms are highly contested.

The term "civil society" has a long pedigree but, since Antonio Gramsci, has generally been used to denote those parts of society that are neither directly controlled by the state nor form part of a society's commercial

activities (the market). A normative element is sometimes also imputed: an expectation that such organizations will promote the public good and only employ nonviolent means. This normative element can probably be traced back to the use of the term in ancient Greece and Rome, where, in a rule of law–based society, citizens actively engaged in shaping institutions and policies, and where rulers were expected to place the public good ahead of private interest (Anheier et al. 2001). Of course, one needs to be cautious about making organizational classifications based on public good. Both the state and the market can be sources of positive social change, and the goals of some parts of civil society can be less than benign. Nonetheless, this normative element is particularly important to INGOs because their moral authority, a key source of their influence in international relations, is based on the widespread belief that they operate to promote the public good. The requirement of nonviolence is also explicitly required for INGOs to be entitled to consultative status with the UN.

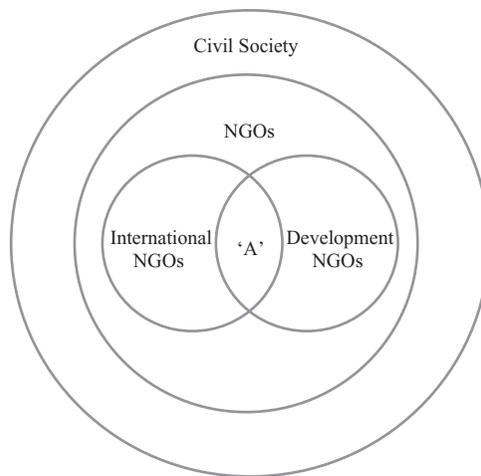
As a result, the term “civil society” is incredibly broad and vague. While civil society was traditionally thought of as a concept closely related to the nation state (Anheier et al., 2001, 16), the advent of modern communications and travel has allowed the development of what some term “global civil society,” an equally if not more contested term. Anheier et al. (2001, 17) define it as “the sphere of ideas, values, institutions, organizations, networks, and individuals located *between* the family, the state, and the market and operating *beyond* the confines of national societies, polities, and economies.” Keane describes it more broadly as a “vast, interconnected, and multilayered social space that comprises many hundreds of thousands of self-directing or nongovernmental institutions and ways of life” (Keane 2001, 23). Some object to this term, preferring to use the term “transnational civil society” on the basis that it is difficult to currently identify an emerging *global* civil society. For example, Keck and Sikkink (1998, 33) argue that the concept of “global civil society” ignores issues of agency and political opportunity that they believe are critical for understanding new international institutions and relationships. There are also debates about the extent to which the concept itself is dominated by Western liberalism, whether it constitutes a mechanism for restraining state power or for increasing the responsiveness of political institutions (see, for example, Anheier et al. 2001, 11). However, these debates can, for our present purposes, be put to one side.

INGOs are the most formal embodiment of this transnational or global civil society, which also includes transnational social movements and transnational advocacy networks.<sup>1</sup> Anheier et al. (2001, 4) define INGOs as “autonomous organizations that are nongovernmental, that is, they are not instrumentalities of government; and nonprofit, that is not distributing revenue as income to owners; and formal, legal entities.” Although the term can cover a wide variety of organizations, from

Amnesty International to the World Wildlife Fund (WWF) and the International Confederation of Free Trade Unions, the main focus of this book is on those INGOs involved in providing international aid and development. Some commentators use the term “nongovernment development organization” (NGDO) or even simply NGO to describe these aid and development organizations.<sup>2</sup> For example, Lewis (2007, 44) suggests that an “international” character was historically implicit in the term “NGO” because of its original use in Article 71 of the UN Charter and is now mainly applied to civil society organizations that “work internationally or those which belong to developing country contexts.” Nonetheless, I prefer to use the term aid and development “INGO” to describe organizations such as World Vision, Save the Children, or Oxfam for a number of reasons. First and foremost, many of the challenges faced by these organizations arise out of the international nature of their activities and do not apply, or do not apply in the same way, to aid and development organizations with activities in just one state. Hence, their international nature is crucial and worth emphasizing. Secondly, in a number of jurisdictions, Australia for example, the term NGO is used broadly to refer to most formal civil society organizations, not simply those involved in providing aid and development. I will therefore use the term NGO to refer to any formal civil society organization, whether domestic or international; the term INGO to refer to NGOs with operations in more than one country, irrespective of the focus of their activities, and NGDOs to refer to domestic NGOs involved in aid and development. Figure 1.1 illustrates

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Figure 1.1 Relationship Between Different Types of Civil Society Organizations



this approach. In this diagram, the organizations that are both international and focused on the aid and development sector—“aid and development INGOs”—occupy the area marked *A* and represent the principal focus of this book.

There are a number of reasons why large aid and development INGOs are the principal focus of this book. One is the financial resources they have at their disposal. Ignoring for the moment quite different global structures and levels of co-operation, the largest six aid and development INGOs by revenue—World Vision, CARE, Save the Children, Médecins Sans Frontières (Doctors Without Borders), Oxfam, and Plan—collectively earned more than US\$7 billion in 2008, a threefold increase in the last decade (see Table 1.1).<sup>3</sup> Similarly, the Bangladesh Rural Advancement Committee (BRAC), founded in 1972 and now claiming to be the largest “Southern NGO,” had an income of US\$316 million in 2007 (BRAC 2007). Even the WWF network, traditionally seen as an environmental INGO but often emphasizing sustainable development rather than species and habitat conservation, raised €447 million in 2008, down from €508 million in the previous year (WWF International 2008).

Other organizations with less structured international partnerships also have quite significant financial resources. For example, there are a number of very large but much looser networks of aid and development organizations united by their denominational affiliation. Caritas Internationalis (known as Catholic Relief Services in the United States) is a “global movement working in solidarity for a fairer world, inspired by the example of Christian faith and Catholic Social Teaching” and one of the largest of these faith-based aid and development networks (see [www.caristas.org](http://www.caristas.org)). It comprises 162 Catholic relief, development, and social service organizations working in over 200 countries and territories. The Association of Protestant Development Agencies in Europe (APRODEV) is another large faith-based aid and development network. APRODEV was founded in 1990 in order to strengthen the cooperation between the European development organizations, which work closely together with the World Council of Churches. There are seventeen members with an annual income in 2008 of some €720 million (see [www.aprodev.net](http://www.aprodev.net)). Even larger is ACT Development. Created in 2007, ACT Development is a global alliance of seventy four church based development organizations with a combined staff of more than 39,000 working in 130 countries with a combined annual budget of around US\$2.1 billion (see [www.actdevelopment.org](http://www.actdevelopment.org)).

However, it is not just their financial resources that make them important international actors. The large aid and development INGOs also have enormous geographic reach, increasingly global brands, both domestic and international political influence and significant potential to constructively assist states and international organizations more effectively

**Table 1.1 Income and Employee Statistics for the Largest Aid and Development INGOs<sup>1</sup>**

	1999 TOTAL INCOME(M)	2007 TOTAL INCOME(M)	2008 TOTAL INCOME(M)	TOTAL EMPLOYEES	NO. OF COUNTRY OPERATIONS
World Vision	US\$600	US\$2,220	US\$2,575	40,000	98
CARE	US\$525	US\$785/€602	US\$886/€608	14,500	70
Save the Children	US\$368	US\$978	US\$1,179	14,000	120
Oxfam	US\$504	US\$941	US\$1,043	9,340	100
MSF	US\$304	€593	€675	25,973	84
Plan	US\$295.2	US\$595	€474	7,893	66
	<b>&gt;US\$2,500</b>	<b>&gt;US\$6,000</b>	<b>&gt;US\$7,000</b>	<b>&gt;110,000</b>	

<sup>1</sup>All financial information for 1999 is taken from Lindenberg and Bryant (2001), Table 2.1. World Vision information is based on its annual report for the year ended September 30, 2008. CARE information is from *CARE Facts and Figures 2008* and the CARE International website, [www.care-international.org](http://www.care-international.org). It is based on the year ended June 30, 2008. Save the Children information is from their 2007 and 2008 annual reports. In 2007, the organization's reported global income of US\$1,037 million included US\$59 million in transfers between Save the Children offices. In the 2008 calendar year, Save the Children had total income of US\$1.276 billion, including transfers of US\$97 million between Save the Children affiliates. Oxfam information is based on annual reports and private correspondence. The *Oxfam International Annual Report* discloses total program expenditure of US\$704 million for the year ended June 30, 2007 and US\$772 million for the year ended June 30, 2008. The 2007 Oxfam employment figure of 8,200 employees is based on an IAWG estimate. As of February 2009, Oxfam employed a total of 9,340 staff, including 5,027 in field offices and 1,385 in retail stores. MSF information is based on MSF's *Activity Report 2008*. Plan's information is based on Plan's *Worldwide 2007 and 2008 Annual Reviews* and *Plan International Worldwide Combined Financial Statement* for the year ended June 30, 2008. In 2008, Plan switched reporting total global income from US dollars to Euros. According to Plan, on a one-to-one basis, worldwide income grew by 6 percent in 2008, excluding the impact of exchange rate movements on non-Euro earnings.

respond to transnational problems like climate change, global poverty, and urbanization. For example, Save the Children operates across 120 countries, BRAC now employs more than 100,000 people, and WWF had a global membership of nearly five million people in 2008. This operational capacity and political clout makes them critical to most humanitarian issues. It is also giving them a more significant role in helping states respond to security threats in a globalized world.

Of course, just because an organization is large does not mean it is effective. One needs to be cautious about assuming influence or effectiveness based on organizational inputs. Many smaller INGOs are not only very influential in specific areas of international relations but also undertake some of the most innovative work. They also tend to be the most responsive to changes in their strategic context. Nonetheless, despite falling technological costs and other advantages of globalization to such smaller actors, economies of scale persist. The largest aid and development INGOs have the resources to invest in broad and sustained engagement with states and multilaterals, operate across the most countries, and because of their broad membership and supporter base, have the potential to influence public opinion in many countries. As a result, they remain among the most powerful members of civil society. It was not surprising then that in July 2008, four of the five most influential INGOs identified by *Foreign Policy Magazine* were large aid and development INGOs: World Vision, MSF, Oxfam, and BRAC. The other one was an organization, the Bill and Melinda Gates Foundation, involved in funding aid and development activities.

## Different Types of INGOs

There are a variety of ways to characterize INGOs. One way is by their principal subject of concern, such as human rights, aid and development, or the environment (Lewis 2007). While not meaningless, characterizing INGOs in this way is increasingly difficult. As explained in Chapter 5, aid and development INGOs have been involved in projects designed to improve a community's environment for decades and are increasingly active in supporting both the mitigation of, and adaptation to, climate change. Similarly, some organizations traditionally seen as environmental agencies are engaged in activities that have strong development outcomes. Most aid and development INGOs have also either formally adopted a human rights-based approach to their work or are at least actively involved in promoting human rights through their advocacy and projects (Ronalds 2008a).

Another method of characterizing aid and development INGOs is the "principled," "pragmatist," "solidarist," and "faith-based" typology used by Donini et al. (2008). Those aid and development INGOs with a tradition based on the basic tenets of humanitarianism developed by Henri Dunant (the "Dunantist" tradition) such as the ICRC tend to favor "principle-centered action" and argue for "a narrower definition of humanitarianism limited to life-saving assistance and protection of civilians, based on core principles of neutrality, impartiality, and independence" (Donini et al.

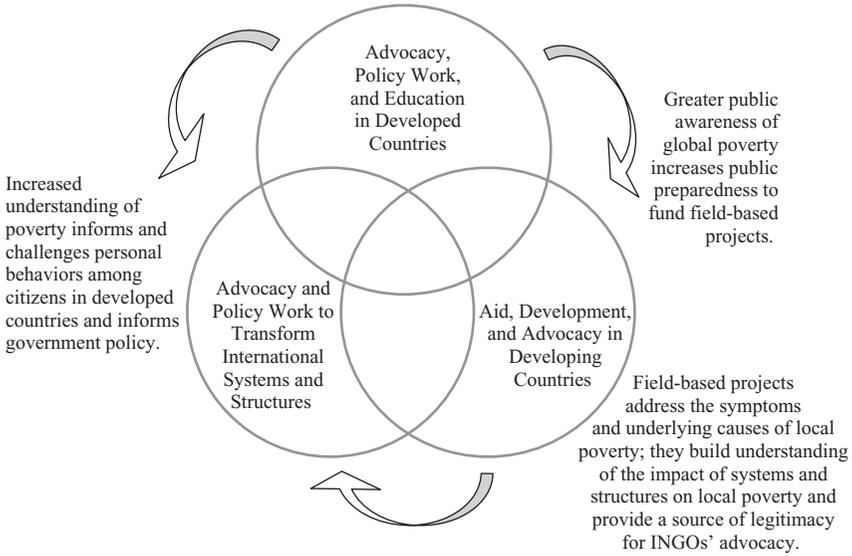
2008, 11). Such INGOs are more wary of accepting government funds and avoid more “ostensibly political endeavors such as advocacy for human rights.” Pragmatists, on the other hand, recognize the importance of principles but “place a higher premium on action, even when this means putting core principles in jeopardy.” According to Donini et al., many US NGOs fall into this category. Solidarists place greater emphasis on addressing the root causes of poverty, social transformation, and advocacy. Finally, many faith-based agencies seek to express the religious values of compassion and charitable service on which they were founded. While Donini et al.’s approach can be useful to analyze the basis of specific decisions by INGOs or their approach in certain contexts, since most large INGOs adopt some elements of each of the above approaches at different times, its analytical usefulness is limited.

In the past, INGOs have also been divided into those that are predominantly service providers and those that are predominantly activist.<sup>4</sup> The former includes INGOs such as World Vision, CARE, and Save the Children, while the latter includes INGOs such as Amnesty International and Human Rights Watch (HRW). However, this type of categorization of INGOs is also somewhat crude. At Oxfam’s birth, it was forced to advocate for access to the blockaded Greece, and, for at least the last few decades, many other aid and development INGOs have sought to promote the empowerment of local community organizations. More recently, many of the largest aid and development INGOs have been developing global advocacy campaigns and increasingly integrating more advocacy with programs. As a result, it is more accurate to envisage this dichotomy as a continuum with various INGOs placed closer to one end or the other. It is also interesting to note that as those INGOs that have been traditionally seen as service providers have grown and matured, and, as there has been increasing demands on them to demonstrate impact, they are being forced to address the underlying cause of poverty, not just its symptoms and have become more involved in advocacy activities.

As a result, the work of the most sophisticated aid and development INGOs can be increasingly portrayed as comprising three inter-related and mutually reinforcing prongs, as illustrated by Figure 1.2.

This outcome is consistent with Korten’s (1990) analysis of the way that NGOs evolve over time but the opposite of that suggested by those who argue that these service providers are being co-opted by states (Chandhoke 2002; Kaldor et al., 2003, 8). According to Korten (1990), NGOs naturally evolve through a series of “generations,” from the relief agency that meets immediate needs to an organization that seeks to engender a broader social movement to achieve structural change (see also Lewis 2007, 49) Korten’s analysis also reinforces that organizational change is an inherent feature of NGOs.

**Figure 1.2 The Three Interrelated and Mutually Reinforcing Prongs of the Work of Large Aid and Development INGOs**



## Contribution of this Book to the Literature on INGOs

While a growing body of work on civil society and INGOs is emerging, there nonetheless remains a relative lack of data and scholarly debate in the area given the increasing size and significance of INGOs. There are a number of reasons for this. First, both academics and practitioners of international relations largely overlooked the growing importance of INGOs for a long time. During the Cold War, “realism” dominated international relations thinking, and there was little room for such non-state actors. Since realism views the international system as inherently anarchical with power derived primarily from military and economic resources, it is ill suited to making sense of actors like INGOs that “are not powerful in the classic sense of the term” (Keck and Sikkink 1998, x). This meant that most international relations and even many international development theorists largely ignored the role of INGOs. For example, Lewis (2007, 38) claims that a “search of the major development textbooks from the 1960s through to the 1980s for mentions of NGOs or voluntary organizations yields little or no references at all.” Similarly, Dichter (1999, 44) argues that during the 1950s and 60s, “most NGOs were not taken very seriously by most government agencies and all but totally ignored by multilateral agencies like the World Bank and

the United Nations.” Secondly, the study of INGOs crosses a large number of academic disciplines and theoretical boundaries. The penchant for compartmentalization in academic studies has, therefore, undoubtedly undermined our understanding of INGOs. As Ahmed and Potter (2006, 9) argue, many approaches have treated NGOs as issues for domestic or comparative politics rather than international relations; relegated them to specific disciplines such as economics, agriculture, or health; or ignored them, as is largely the case in respect of management theorists, who have focused either on the firm or on public administration.

Thankfully, this began to change during the 1990s as an important body of work emerged examining the role of INGOs in global politics and development. At the University of Manchester, a series of conferences was held, beginning in 1992, which considered the implications of the growing importance and practice of INGOs. Each of these conferences resulted in publications that considered some of the issues raised in this book (Edwards and Hulme 1992; Edwards and Hulme 1995; Edwards and Hulme 1997; Lewis and Wallace 2000; Bebbington et al., 2008). Then, in 1998, Keck and Sikkink published *Activists Beyond Borders*. Taking a constructivist approach, they considered the role of transnational activists in international relations including the role of domestic NGOs and INGOs. However, although Keck and Sikkink has probably done more than any other to raise the profile of INGOs in international relations, even Keck and Sikkink (1998, 217) still conclude by describing their findings as initial and “promising new directions for further research.”

In September 1998, a number of the world’s largest aid and development INGOs gathered in Bellagio to discuss the ways that globalization was impacting on their organizations. In 1999, the journal, *Nonprofit and Voluntary Quarterly*, devoted an entire edition to some of the papers presented at that conference, and in 2001, two of the contributors at the conference, Marc Lindenberg and Coralie Bryant, published a book that looked specifically at the “implications of globalization for the goals, programs, processes and staff of international aid and development NGOs” (Lindenberg and Bryant 2001, ix). This is the most relevant and substantial piece of work on the issues covered by this book. However, more than a decade after the conference that inspired it, this book warrants updating. Since Lindenberg and Bryant was written, both international relations and the aid and development sector have changed considerably.

In the new millennium, the lack of empirical data on INGOs began to be seriously addressed by the Johns Hopkins Comparative Nonprofit Sector Project, which seeks to document the scope, structure, financing, and role of the nonprofit sector across both developed and developing countries. From 2001, Anheier, Glasius, and Kaldor at the London School of Economics also began to publish *Global Civil Society Yearbooks* to

“analyze and describe, to map both conceptually and empirically” global civil society and to draw relevant conclusions for the various actors who participate within it. While this series of yearbooks was more broadly focused than the work emanating from Manchester University, it has been a critical contribution to our understanding of the place of INGOs within global civil society. In 2003, John Clark published *World Apart*. Clark’s book examined the relationship between civil society and globalization. It was followed in 2006 by Ahmed and Potter’s *NGOs in International Politics*, which sought to provide a comprehensive and accessible overview of INGOs’ involvement in international relations. However, while both Clark (2003) and Ahmed and Potter (2006) address some of the external challenges facing INGOs such as demands for greater accountability, they do not address the organizational implications of these challenges, the focus of much of this book.

During the 1990s, articles on different aspects of NGO management began to appear, and in 2002, many of the best of these were collected and published together (Edwards and Fowler 2002). Over the past 15 years, there have also been a number of books published on management issues associated with NGOs involved in international development. Alan Fowler has published two books (Fowler 1997 and Fowler 2000c) that approach the topic from a more practical perspective while David Lewis’s *The Management of Nongovernment Development Organizations* is more academic, written particularly for use by postgraduate students. These works are complemented by the broader, but still highly relevant, studies of the management of third sector or civil society organizations. Good examples of this genre include the 2005 work of Helmut Anheier, *Nonprofit Organizations: Theory, Management, Policy* (Chapter 15 is specifically about INGOs and globalization) and, from the United States, Crutchfield and Grant’s (2008), study of *High Impact Not-for-Profits*. This increased attention on the practice of management in NGO is most welcome. Much of the general management literature fails to address the quite unique management challenges faced by managers of NGOs and is generally based on Western ideas and models, a real limitation given the extent to which INGOs work cross culturally. Nonetheless, compared to the business world or public administration, the field of NGO management is still nascent, and what literature exists is often written from an academic’s perspective rather than that of a practitioner.

The increasing complexity of the strategic context for aid work has also been a feature of the work of the Feinstein International Centre at Tufts University. Led by Peter Walker, the Feinstein International Centre was commissioned by a number of the largest aid and development INGOs to examine future humanitarian challenges (Feinstein International Famine Centre 2004). This included a survey of the NGO landscape and contains some recommendations for INGOs. A second edition of this publication was released in 2010 called *Humanitarian Horizons: A Practitioner’s Guide to the Future*. The

Centre also undertook research into local people's perceptions of the work of humanitarian agencies in twelve contexts during 2006 and 2007. This important "view from below" was used to develop a report, *The State of the Humanitarian Enterprise*, outlining the constraints, challenges, and compromises affecting humanitarian action in conflict and crisis settings (Donini et al. 2008). More recently it has published a review of the humanitarian response function within large aid INGOs (Webster and Walker 2009). The Overseas Development Institute (ODI) in London also investigates these types of issues. Their work on advocacy in fragile states such as Darfur, for example, is very relevant.

Encouraged by the popular appeal of campaigns like Make Poverty History and discussions at international meetings such as the G8, the last few years have seen an increasing number of books written on the efficacy of aid and development. Good examples include Rieff (2003), Sachs (2005), Easterly (2006), Collier (2007), and Riddell (2007). However, most of these have focused primarily on the effectiveness of government-funded aid, and therefore, INGOs have not been a central feature.

A number of recent books also explore the rising number of new actors involved in the fight against global poverty and other transnational challenges. These include Brainard and Chollet's edited *Global Development 2.0: Can Philanthropists, the Public and the Poor Make Poverty History?*, Bishop and Green's book *Philanthrocapitalism: How the Rich Can Save the World*, and David Rothkopf's *Superclass: The Global Power Elite and the World They Are Making*. In particular, Brainard and Chollet's text is a significant contribution to our understanding of how the development world is changing. However, while these texts are important contributions, they do not directly tackle the challenges facing large INGOs.

As this brief overview of some of the key literature on INGOs demonstrates, there is an absence of any text that seeks to connect global trends and changes in international relations with the management challenges faced by leaders of INGOs. While there are many research papers and books that provide information on the various trends affecting INGOs and others that are beginning to map out their increasingly important role in international relations, with the exception of the ten-year-old Lindenburg and Bryant work, none that I am aware of seek to develop a set of specific operational recommendations in response to these changes. On the other hand, while there is literature dealing with specific management challenges facing INGOs, such as becoming a learning organization, addressing human resources challenges or developing new fundraising techniques, neither the broader strategic context nor the interdependencies among the various challenges are addressed.

Therefore the principal aim of this book is to analyze the relevant social, economic, and political trends that are occurring at both a global

and industry level and develop an appropriate and coherent range of organizational responses that enable INGOs to be effective in the twenty-first century. As a result, the material this book seeks to cover is necessarily broad. While it is intended to provide practical recommendations for leaders of INGOs, this book nonetheless seeks to engage with some of the key theoretical debates in international relations and development studies that are relevant to their work. In my view, it is important for INGO leaders to be aware of these debates, at least at a high level, because they contribute to a deeper understanding of the thinking behind government policy, the motivations and interests of stakeholders, and of the trends that confront their organizations. This book also seeks to incorporate insights from a diverse range of organizations and contexts. The unique nature of the challenges that INGOs face, the difficulty of their social mission, and the relative lack of tailored management literature means that it has been both necessary and beneficial to seek answers in a great variety of places.

This breadth will no doubt be seen as both a strength and a weakness. Since this book seeks to connect the wisdom of many disciplines, including international relations, development studies, and management, in an accessible way it has been necessary, at times, to limit the discussion to a relatively high level. This may leave some readers wanting more specific advice. However, there is enormous variety among INGOs, even among the largest aid and development INGOs. They are complex organizations, often with as much diversity between affiliates of the same INGO as between different organizations. Therefore, it is not possible, in my view, to provide specific, one-size-fits-all recommendations. Rather, like good development work, INGO leaders need to adapt the analysis and recommendations in this book to their particular circumstances and context.

From the outset, it has also been my intention to provide a balanced assessment of the strengths and achievements of INGOs as well as their weaknesses and failures. This has often been difficult because of the relative lack of reliable data and analysis, the enormous diversity in the sector, and the often high expectations that INGOs create for themselves. It is also, of course, impossible to ever be truly objective. The views and recommendations contained in this book are based on an insider's experience as a senior executive with the largest aid and development NGO—World Vision—and are colored by the biases of my developed-world perspective. This has undoubtedly resulted in my analysis tending to emphasize a top-down view rather than a bottom-up one and, as one reviewer of a draft of this book put it, an optic that is "predominately state rather than civic focused." Accordingly, my selection of the challenges faced by large INGOs, and the suggested organizational responses may be quite different from those compiled by employees of INGOs based in developing countries, from those receiving aid in a humanitarian disaster, or from the leaders of small,

community-based organizations that seek to partner with or obtain funding from large INGOs. One's point of view is always a view from a point.

Nonetheless, my hope is that this book will be a useful source of inspiration, ideas, and strategies for those tasked with navigating their organizations through the challenges they face in the twenty-first century. I also hope that it will encourage others, particularly practitioners, to invest far more in analyzing the strategy and operations of individual aid and development INGOs to ensure that they are indeed equipped for the work they must do in the twenty-first century.

## Structure of this Book

This book proceeds in three parts. The first part, consisting of Chapters 2 to 4, seeks to outline the strategic context in which large INGOs operate. Chapter 2 examines the impact that globalization is having on INGOs. Adopting a constructivist approach, it argues that globalization has contributed to the increasingly important role that ideas, norms, and culture are having in international relations. It examines states' changing motivations for giving aid and, in particular, the growing awareness of the relationship between extreme poverty and international peace and security in a globalized world. This Chapter also considers the changing role that INGOs are having in the global governance of aid and development. Chapter 3 goes on to chart the growth in the size and influence of INGOs over the recent past. It contains a short history of the role INGOs have played in various campaigns including humanitarian law, human rights, and the more recent Make Poverty History campaign. Chapter 4 contains an analysis of the factors that have driven the growth in the size and influence of INGOs and assesses whether this growth is likely to continue.

The second part of the book—Chapters 5, 6, and 7—outlines the external and organizational challenges created by the changed strategic context. Chapter 5 considers some of the key *external* challenges faced by large aid and development INGOs including new development challenges, the increased politicization of aid and development, growing demands on INGOs to be more accountable and demonstrate their effectiveness, and growing public and government expectations of improved co-ordination and of INGOs' capacity to respond to humanitarian disasters and address development challenges. Chapter 6 focuses on the internal organizational challenges generated by the growing size and influence of INGOs and the changed international context. It outlines six key challenges for the largest aid and development INGOs that mean they must undertake quite radical internal change if they are to be equipped to effectively perform their missions in the changed international context

of the twenty-first century. It argues that these external challenges represent a revolution in the strategic context of large INGOs with enormous implications for the nature of activities they undertake, the types of staff they employ, the skills of the leaders they select, the nature of organizations they partner with, how they raise financial resources, and the types of systems and processes they invest in. Chapter 7 explores the difficulties of managing and governing values-driven global organizations. It examines the development of strategy in a rapidly changing context and critically analyzes the different approaches adopted by some of the world's largest INGOs to these issues.

The final part of this book, Chapter 8, provides practical guidance to senior managers of INGOs for achieving the required organizational change. It considers the evidence for the largest aid and development INGOs' ability to change and adapt to the new international context. It investigates why large INGOs appear so resistant to organizational change and suggests six key factors that a number of case studies suggest must be present for transformational organizational change to be achieved.

Chapter 9 concludes by summarizing the key arguments made in the book and outlining an INGO research agenda at three levels: international, industry, and organizational.

## Notes

1. Keck and Sikkink (1998, 1) describe transnational advocacy networks as "networks of activists, distinguishable largely by the centrality of principled ideas or values in motivating their formation." The term "transnational moral entrepreneur" is also sometimes used, highlighting the critical role that moral authority plays in advocacy campaigns and the organizations such as INGOs that promote them.

2. Lewis describes NGDOs as "third sector organizations concerned with addressing problems of poverty and social justice, and working primarily in the developing world" (Lewis 2007, 1).

3. The Red Cross is not included because of its status and responsibilities under international conventions, which makes its classification as an INGO problematic.

4. Based on the work of Adil Najam, Lewis (2007, 130) provides a more complex classification system based on the different functions that INGOs can perform: service delivery (acting directly to do what needs to be done), advocacy (prodding governments to do the right thing), innovation (suggesting and showing how things can be done differently), and monitoring (trying to ensure that government and business do what they are supposed to be doing).