Principled instrumentalism:
a theory of transnational NGO behaviour

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Abstract. Scholarship has traditionally portrayed transnational NGOs (TNGOs) as 'principled' actors animated by global norms to advance human rights, sustainable development, humanitarian relief, environmental stewardship, and conflict resolution. However, scholarship has also identified instances in which TNGOs appear to act 'instrumentally' by engaging in resource-maximising behaviour seemingly inconsistent with their principled nature. Moreover, prior scholarship addressing this puzzle has been constrained by the limitations of small-n case studies examining relatively narrow subsectors of the TNGO community. Addressing these limitations, we reexamine the logic of TNGO behaviour in light of findings from an interdisciplinary, mixed-method research initiative consisting of in-depth, face-to-face interviews with a diverse sample of 152 top organisational leaders from all major sectors of TNGO activity. Using an inductive approach to discover how TNGO leaders understand their own behaviour, we introduce the heuristic of 'principled instrumentalism' and specify our framework with a formal model.

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Transnational NGOs (TNGOs)[1] shape outcomes across a wide range of issue areas, including human rights, environmental protection, sustainable development, conflict resolution, and humanitarian aid. The sector has experienced significant growth in

[1] 'Transnational' and 'NGOs' have become conventional terms widely used in the academic literature. These terms are less prevalent among practitioners who prefer terms such as 'international civil society organizations'. In the IR literature, 'transnational' is primarily a descriptive category connoting sustained relations among societal actors across borders. See Thomas Risse-Kappen (ed.), *Bringing Transnational Relations Back In. Non-State Actors, Domestic Structures and International Institutions* (Cambridge: Cambridge University Press, 1995). The term 'NGO' was first officially introduced with the United Nations Charter of 1945 (Article 71) where the participation of non-state entities in UN proceedings is acknowledged.

the past decades, both in terms of the number of organisations and their combined resources.[2] The United States alone is home to more than 7,200 international non-profit organisations, spending almost \$30 billion combined (nominally) during their most recent fiscal years.[3] As a result of the growing visibility of TNGOs, scholars across different disciplines have paid increased attention to these actors and the motives driving their behaviour. Some have argued that TNGOs introduce a logic of principled activism[4] and appropriateness into global affairs that can force states and other actors toward normative convergence and international cooperation.[5] Others have challenged those assumptions and have argued that organisational survival and competition for funding and media attention are at least as important in explaining their behaviour.[6] Increasingly, TNGOs are conceptualised as special types of firms that function in policy markets. In these accounts of transnational behaviour, resource acquisition may undermine principled advocacy, motivating some scholars to exhort TNGO leaders 'to ensure that strategic considerations do not play too large a role'.[7]

This article responds to this scholarship by first examining how TNGO leaders understand the relationship between organisational mission and the need for financial security, and second, by explicitly specifying this relationship with a formal model. Rather than deducing the motives of these actors from existing theories, we

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[2] The United Nations count of 'consultative status' granted to non-governmental organisations is a rough proxy for the explosion in transnational activism since World War II and especially since the end of the Cold War. The number of NGOs with consultative status at the United Nations increased from 41 in 1946 to 700 in 1992 at an average rate of slightly over 14 organisations annually. After 1992, this average rate increased more than tenfold to 151 organisations added annually. As of December 2011, 3,534 NGOs had attained consultative status. See United Nations Department of Economic and Social Affairs, 'Consultative Status with ECOSOC and other accreditations' (New York: United Nations, 2011).

[3] Katie L. Roeger, Amy Blackwood, and Sarah L. Pettijohn, *The Nonprofit Sector in Brief: Public Charities, Giving, and Volunteering, 2011* (Washington, DC: The Urban Institute, 2011).

[4] 'Principled activism' is guided by the question: 'Is this choice an appropriate reflection of the prevailing community standards?' A non-principled approach would ask instead: 'What is the cost-benefit calculation of my choice?' For example, a principled response to gross human rights violations will invariably call for the prosecution of those responsible, while a non-principled response will also take into consideration possible consequences (intended or unintended), including how such activism affects fundraising, how it may affect levels of future human rights violations, or the likelihood of apprehending the alleged perpetrators.

[5] Margaret E. Keck and Kathryn Sikkink, *Activists Beyond Borders. Advocacy Networks in International Politics* (Ithaca: Cornell University Press, 1998); Richard Price, 'Reversing the Gun Sights: Transnational Civil Society Targets Land Mines', *International Organization*, 52 (1998), pp. 613–44; Sanjeev Khagram, James V. Riker, and Kathryn Sikkink (eds), *Restructuring World Politics. Transnational Social Movements, Networks, and Norms* (Minneapolis: University of Minnesota Press, 2002); Marlies Glasius, *The International Criminal Court: A Global Civil Society Achievement* (London and New York: Routledge, 2006); Jens Lerche, 'Transnational Advocacy Networks and Affirmative Action for Dalits in India', *Development and Change*, 39 (2008), pp. 239–61; Jean Grugel and Enrique Peruzzotti, 'Grounding Global Norms in Domestic Politics: Advocacy Coalitions and the Convention on the Rights of the Child in Argentina', *Journal of Latin American Studies*, 42 (2010), pp. 29–57.

[6] Alexander Cooley and James Ron, 'The NGO Scramble. Organizational Insecurity and the Political Economy of Transnational Action', *International Security*, 27 (2002), pp. 5–39; Clifford Bob, *The Marketing of Rebellion: Insurgents, Media, and International Activism* (Cambridge: Cambridge University Press, 2005).

[7] James Ron, Howard Ramos, and Kathleen Rodgers, 'Transnational Information Politics. NGO Human Rights Reporting, 1986–2000', *International Studies Quarterly*, 49 (2005), pp. 557–87, esp. p. 576.

take an inductive approach based on a mixed-method analysis of semi-structured interviews with top organisational leaders from a cross-section of 152 US-registered TNGOs. This research design addresses methodological limitations of the existing literature, in particular the limited generalisability of results derived from small-n case studies that reflect relatively narrow subsets of the TNGO sector. By looking across all major sectors of transnational activism,[8] this study adds unique empirical evidence complementing our existing understanding of the nature of TNGOs as global actors[9] in processes of national and global governance.[10] In particular, our sample's variation in size and sector offers an important corrective to the dominance of studies focusing on only a handful of large, well-known advocacy organisations.[11]

This study challenges arguments claiming that resource dependence,[12] financial incentives,[13] government contracting practices,[14] and competition for resources[15] undermine the principled character of TNGOs and cause them to sacrifice their social missions in the pursuit of financial security. Economic environmental factors do not necessarily pervert the principled nature of TNGOs, but function instead as an exogenous set of constraints within which TNGOs act in pursuit of their missions. We label this behaviour 'principled instrumentalism' as organisations instrumentally pursue their principled objectives within the economic constraints and political opportunity structures[16] imposed by their external environments. Our analysis reveals that a principled orientation is embedded in the objective functions of organisations, meaning that TNGOs define self-interest in terms of the rational pursuit of organisational effectiveness. Funding concerns are highly salient to TNGO leaders, but they primarily constrain the distribution and magnitude of principled activity rather than crowd out or undermine it.

[8] The five sectors covered are human rights, humanitarian relief, sustainable development, conflict resolution, and environmental protection.

[9] With regard to intergovernmental organisations (IGOs), Michael Barnett and Martha Finnemore expressed similar sentiments in arguing that 'we can better understand what IOs *do* if we better understand what IOs *are*'. See Michael Barnett and Martha Finnemore, *Rules for the World. International Organizations in Global Politics* (Ithaca: Cornell University Press, 2004).

[10] Jutta Joachim, *Agenda Setting, the UN, and NGOs. Gender Violence and Reproductive Rights* (Washington, DC: Georgetown University Press, 2007); R. Charli Carpenter, 'Studying Issue (Non)-Adoption in Transnational Advocacy Networks', *International Organization*, 61 (2007), pp. 643–67; R. Charli Carpenter, 'Vetting the Advocacy Agenda: Network Centrality and the Paradox of Weapons Norms', *International Organization*, 65 (2011), pp. 69–102; Deborah D. Avant, Martha Finnemore, and Susan K. Sell (eds), *Who Governs the Globe?* (Cambridge: Cambridge University Press, 2010).

[11] See, for example, Ann Marie Clark, *Diplomacy of Conscience. Amnesty International and Changing Human Rights Norms* (Princeton: Princeton University Press, 2001); Stephen Hopgood, *Keepers of the Flame. Understanding Amnesty International* (Ithaca: Cornell University Press, 2006); Michael Barnett, 'Evolution Without Progress? Humanitarianism in a World of Hurt', *International Organization*, 63 (2009), pp. 621–63.

[12] Karen Rauh, 'NGOs, Foreign Donors, and Organizational Processes: Passive NGO Recipients or Strategic Actors?', *McGill Sociological Review*, 1 (2010), pp. 29–45.

[13] Clifford Bob, 'The Market for Human Rights', in A. Prakash and M. K. Gugerty (eds), *Advocacy Organizations and Collective Action* (Cambridge: Cambridge University Press, 2010), pp. 133–54; Christopher L. Pallas, 'Good Morals or Good Business? NGO Advocacy and the World Bank's 10th IDA', in E. Erman and A. Uhlin (eds), *Legitimacy Beyond the State. Re-examining the Democratic Credentials of Transnational Actors* (Houndmills, Basingstoke: Palgrave Macmillan, 2010), pp. 85–109.

[14] Michael Edwards and David Hulme (eds), *Beyond the Magic Bullet. NGO Performance and Accountability in the Post Cold War World* (London: Earthscan, 1995).

[15] Alexander Cooley and James Ron, 'The NGO Scramble'.

[16] A political opportunity structure may be regarded as a specific category of constraint emphasising political context. See Doug McAdam, *Political Process and the Development of Black Insurgency, 1930–1970* (2nd edn, Chicago: University of Chicago Press, 1999); David S. Meyer and Debra C. Minkoff, 'Conceptualizing Political Opportunity', *Social Forces*, 82 (2004), pp. 1457–92.

The article proceeds in the first section by summarising TNGO scholarship and highlighting the core insights of this literature. In the next section we briefly introduce the underlying interview study as an effort to supplement existing explanations of TNGO behaviour with the perspectives of contemporary TNGO leaders. We then re-examine *a priori* theory in light of the new empirical evidence. This leads us to propose an *a posterori* theory that more closely aligns with leaders' perspectives. We then discuss the limitations of this approach and conclude with suggestions for future research.

Explanations for TNGO behaviour

Scholarship on transnational activism within International Relations (IR) emerged in the 1990s and focused on establishing the relevance of non-state actors – particularly in the human rights, conflict resolution, and environmental sectors – claiming to advance universal principles in a state-centric world. Along with the emergence of constructivist scholarship and its emphasis on norms, TNGOs and transnational networks became identified as the primary carriers of these principles. Studying these actors, scholars have focused on how they promote norm institutionalisation at the global level[17] as well as how they collaborate or clash with local actors in efforts to implement norms and policies at the domestic level.[18] Transnational NGOs exert a form of normative or ideational power through processes of persuasion and socialisation, which scholars assert is not easily captured by interest-based models of behavioural change.[19]

Beyond explanations of the conditions under which such transnational actors have more or less influence, the literature developed a significant focus on understanding the motives of transnational activism.[20] For much of this scholarship, principles such as human rights are central to understanding the emergence and power of transnational NGOs. Principles give rise to campaigns by defining certain social conditions as unacceptable. Principles also integrate transnational networks and distinguish them from hierarchical and market-based forms of social organising. From this perspective, principled transnational activism has its origins primarily in a desire to correct injustices and promote human rights, rather than in a claim to assert power or generate profit.

In contrast to this emphasis on universal principles as a distinctive animating force behind TNGO behaviour, other scholarship has drawn parallels between TNGOs

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[17] Richard Price, 'Reversing the Gun Sights: Transnational Civil Society Targets Land Mines', *International Organization*, 52 (1998), pp. 613–44; Robert O'Brien, Anne Marie Goetz, Jan Aart Scholte, and Marc Williams, *Contesting Global Governance. Multilateral Economic Institutions and Global Social Movements* (Cambridge: Cambridge University Press, 2000); Marlies Glasius, *The International Criminal Court: A Global Civil Society Achievement* (London and New York: Routledge, 2006).

[18] Shareen Hertel, *Unexpected Power. Conflict and Change among Transnational Activists* (Ithaca: Cornell University Press, 2006); Hans Peter Schmitz, *Transnational Mobilization and Domestic Regime Change. Africa in Comparative Perspective* (Houndmills, Basingstoke: Palgrave Macmillan, 2006).

[19] Thomas Risse, '"Let's Argue!": Communicative Action in World Politics', *International Organization*, 54 (2000), pp. 1–39.

[20] Emily B. Rodio and Hans Peter Schmitz, 'Beyond Norms and Interests. Understanding the Evolution of Transnational Human Rights Activism', *International Journal of Human Rights*, 14 (2010), pp. 442–59; Sarah S. Stroup, *Borders Among Activists. International NGOs in the United States, Britain, and France* (Ithaca: Cornell University Press, 2012).

and interest groups or firms seeking private gains.[21] These perspectives emphasise that TNGOs are organisations acting in a competitive marketplace. Since TNGOs must secure resources to survive, the constant need to fundraise leads organisations to compete rather than cooperate and may cause them to subjugate their principles to the pursuit of financial security,[22] initiating self-serving behaviour that erodes their principled character. The nonprofit marketplace 'pushes them to behave in rational and rent-seeking ways' and TNGOs are thus more 'likely to behave like their for-profit counterparts'.[23] Interest-based accounts of TNGOs have concluded that a preoccupation for organisational survival leads organisations to ignore deserving causes[24] and select campaigns based on likely donor support and media resonance rather than a principled assessment of greatest need.[25]

Distinct constructivist and rationalist cultures of inquiry have helped to sustain the divergence between principled and instrumentalist approaches to understanding TNGO behaviour. Within each analytical culture actors engage with their environments differently. For constructivists, structural norms external to agents condition organisational behaviour. Such scholarship emphasises the ideational determinants of organisational behaviour, a social ontology, and a logic of appropriateness. For rationalists, economic self-interest typically takes precedence over normative factors. Rationalist scholarship emphasises the material determinants of organisational behaviour, individual self-interest, and a logic of consequences (see Table 1).[26]

Scholars have developed a number of projects aimed at building bridges or even synthesising constructivist and rationalist approaches in IR.[27] In the broader IR literature, a growing consensus is based on the 'increasing realization that constructivism and rationalism are complementary rather than contradictory'.[28] Indeed, recent studies on TNGOs have begun to move beyond the rationalist-constructivist divide.[29] There is growing interest in variation in national origin[30] as well as internal organisational structure.[31] Scholarship now equally appreciates that intersubjective

[21] Elizabeth A. Bloodgood, 'The Interest Group Analogy: International Non-Governmental Advocacy Organisations in International Politics', *Review of International Studies*, 37 (2011), pp. 93–120; Aseem Prakash and Mary Kay Gugerty (eds), *Advocacy Organizations and Collective Action* (Cambridge: Cambridge University Press, 2010).

[22] Alexander Cooley and James Ron, 'The NGO Scramble'.

[23] Ibid., p. 36.

[24] Clifford Bob, *The Marketing of Rebellion: Insurgents, Media, and International Activism* (Cambridge: Cambridge University Press, 2005).

[25] James Ron, Howard Ramos, and Kathleen Rodgers, 'Transnational Information Politics. NGO Human Rights Reporting, 1986–2000', *International Studies Quarterly*, 49 (2005), pp. 557–87; Clifford Bob, 'The Market for Human Rights'.

[26] James G. March and Johan P. Olsen, 'The Logic of Appropriateness', in M. Moran, R. Martin, and R. E. Goodin (eds), *The Oxford Handbook of Public Policy* (Oxford: Oxford University Press, 2006), pp. 689–708.

[27] Emanuel Adler, 'Constructivism in International Relations: Sources, Contributions, and Debates', in W. Carlsnaes, T. Risse, and B. A. Simmons (eds), *Handbook of International Relations* (London: Sage, 2013), pp. 112–44; Emanuel Adler and Vincent Pouliot (eds), *International Practices* (Cambridge: Cambridge University Press, 2011); Karen M. Fierke and M. Nicholson, 'Divided by a Common Language: Formal and Constructivist Approaches to Games', *Global Society*, 15 (2001), pp. 7–25.

[28] Emanuel Adler, 'Constructivism in International Relations', p. 133.

[29] Dean Chahim and Aseem Prakash, 'NGOization, Foreign Funding, and the Nicaraguan Civil Society', *Voluntas* (2013), doi: 10.1007/s11266-012-9348-z.

[30] Sarah S. Stroup, *Borders Among Activists*.

[31] Jo Becker, *Campaigning for Justice. Human Rights Advocacy in Practice* (Stanford: Stanford University Press, 2013); Wendy H. Wong, *Internal Affairs. How the Structure of NGOs Transforms Human Rights* (Ithaca: Cornell University Press, 2012).

	Logic of action	Objective	Financial resources	Partnerships and collaborations
Principled	Logic of appropriateness	Enforcement of norms	Not directly relevant	Sustained by shared values
Instrumental	Logic of consequences	Achievement of financial security	Objective to be maximised	Undermined by competition for resources
Principled instrumentalism	Constrained optimisation	Achievement of programmatic goals conditional upon exogenous constraints	Core constraint	Formed strategically to increase programme effectiveness

Table 1. *Three perspectives on TNGO behaviour*

meanings expressed in national identities shape 'varieties of activism'[32] and that transnational activism is frequently consequentialist in its logic when identifying targets, building coalitions, or increasing leverage.[33]

This study of TNGO leadership perspectives resonates particularly well with recent efforts to promote epistemological pragmatism[34] and establish a 'logic of practicality'[35] as a means of identifying deep-seated social practices. Rather than assume a logic of appropriateness or consequences, our focus on how TNGO leaders discuss the social practices of their organisations offers a different perspective that supplements existing studies and offers a distinct framework designed to advance the literature on non-state actors.[36] By interviewing TNGO leaders, we gain insight into how they understand themselves and more specifically how they conceptualise the decisions they confront and the roles their organisations play in world affairs.

Data

Our findings are derived from semi-structured interviews with top organisational leaders from a diverse sample of 152 TNGOs registered in the United States.[37] The

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[32] Sarah S. Stroup, *Borders Among Activists.*
[33] Jo Becker, *Campaigning for Justice,* pp. 245–59.
[34] Harry Bauer and Elisabetta Brighi (eds), *Pragmatism in international relations* (London: Routledge, 2009); Gunther Hellmann, 'Pragmatism and International Relations', *International Studies Review*, 11 (2009), pp. 638–62; Jörg Friedrichs and Friedrich Kratochwil, 'On Acting and Knowing: How Pragmatism Can Advance International Relations Research and Methodology', *International Organization*, 63 (2009), pp. 701–31.
[35] Vincent Pouliot, 'The Logic of Practicality: A Theory of Practice of Security Communities', *International Organization*, 62 (2008), pp. 257–88.
[36] We thank the reviewers for this particular suggestion on framing the core contribution of this research.
[37] TNGOs are groups recognised as 501(c)(3) organisations by the United States Internal Revenue Service with a significant part of their operations reaching abroad (in multiple countries). While the interviews present the main empirical basis for the claims presented here, we also draw on basic financial information collected by our research team independent of the interviews. In the past three years, we have also conducted several workshops with TNGO leaders from a cross-section of well-known US-based and international groups where we have discussed the preliminary results of our study around issues of governance, leadership, effectiveness, and accountability. These workshops were held under the 'Chatham House rule', meaning that participants are allowed to use the information exchanged, but may not reveal the identity or affiliation of particular speakers.

interview protocol was not designed to test *a priori* theory, but specifically to gather baseline information about organisations' goals, strategies, activities, effectiveness, accountability, communications, collaborations, and leadership. Leader's organisations were drawn from a population of international nonprofits rated by Charity Navigator, an independent ratings agency in the United States.[38] For convenience we refer to organisations in our sample simply as TNGOs, although our results are generaliseable only to the narrower population of US-registered organisations from which they were drawn.[39]

Researchers employed stratified random sampling to ensure representative diversity in size, sector, and financial characteristics.[40] The overall response rate was 68 per cent.[41] In the final sample, 81 per cent of respondents were the CEOs, presidents or executive directors of their organisations, 12 per cent were vice presidents, and only 7 per cent were below the level of vice-president.

Respondents were guaranteed confidentiality to minimise self-censorship and promote candor. Interviewers were required to assess respondent candor in debriefing documents following the interviews. These qualitative assessments did not indicate material evidence of respondent self-censorship. Results have also been corroborated through ongoing outreach initiatives with the TNGO practitioner community facilitated by the study's institutional sponsor.

Interviews took place at leaders' preferred locations, usually their offices, and lasted about 1.4 hours on average. Researchers collected over 200 hours of digital recordings, which were subsequently transcribed. An interdisciplinary team of scholars created a codebook based on inductive readings of initial transcripts for emergent themes as well as input from the coding team. The coding team coded the interview transcripts using computer-aided qualitative data analysis software, generating over 19,000 quotations captured by 413 codes.

To measure the overall degree of intercoder agreement across all 413 codes, ten complete in-sample interviews were each coded twice by separate coders. Scores were calculated measuring the percentage of agreement between the two coders of each interview transcript. The ten scores were then averaged. A value of zero indicates complete disagreement, while a value of one indicates complete agreement. The overall score is 0.80, indicating satisfactory intercoder agreement.

[38] The sampling population consisted of organisations that had 501(c)(3) tax-exempt status from the US Internal Revenue Service (IRS), had at least four consecutive years of IRS Forms 990 available, and had received public support greater than $500,000 during their most recent fiscal years. Organisations that reported zero fundraising costs or that were overwhelmingly funded through government grants or fees for services were excluded from the population, along with private foundations, hospitals, hospital foundations, private universities, colleges, community foundations and public broadcasting stations. The selection criteria thus effectively exclude organisations not generally considered to be TNGOs.

[39] Margaret G. Hermann, Jesse D. Lecy, George E. Mitchell, Christiane Pagé, Paloma Raggo, Hans Peter Schmitz, and Lorena Viñuela. 'The Transnational NGO Study: Rationale, Sampling and Research Process' (Syracuse: Moynihan Institute of Global Affairs, 2010).

[40] The strata were defined by five sectoral, three size (budget) and four financial classifications derived from information provided by Charity Navigator {www.charitynavigator.org}. The three categories of budget size were small (less than $1 million), medium ($1 million to $10 million), and large (greater than $10 million). The four financial classifications were based on Charity Navigator's organisational efficiency and capacity ratings, derived from information from IRS Forms 990.

[41] One hundred and twenty-three organisations from the initial sample of 182 organizations participated in the study, yielding a response rate of 123/182 = 0.68. Twenty-nine replacements were subsequently added, yielding a total sample size of 152.

Leadership perspectives

Scholarship on TNGOs has highlighted and sometimes contrasted principled and interest-based explanations for organisational behaviour. In our effort to advance a synthesis of these perspectives, we explored the salience of principled and instrumentalist accounts by TNGO leaders during the interviews. Specifically, we examined how leaders understand their organisations' goals, obstacles, changes to goals and strategies, benefits to collaboration, and obstacles to collaboration. We address each of these five topics in turn.

First, the principled perspective suggests that respondents should mention the substantive goals expressed in their mandates when prompted to discuss organisational goals, whereas the instrumental view predicts interviewees should mention financial concerns. Evidence from the interview study suggests that resource acquisition is not highly salient to leaders as an organisational goal. Respondents were asked, 'In general, what would you say your organization is trying to accomplish?' A majority of 55 per cent of respondents mentioned beneficiary capacity-building,
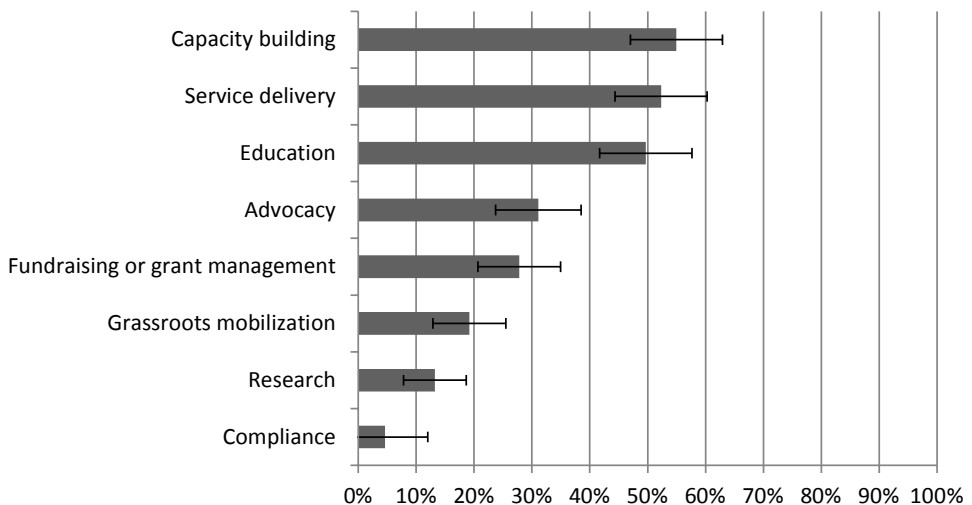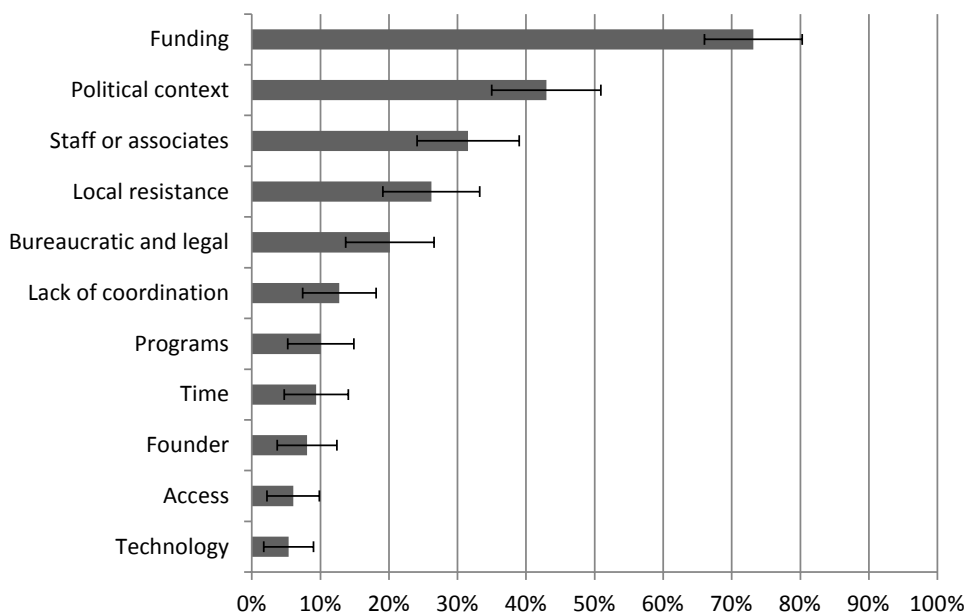

Error bars represent the 95% confidence interval. n = 151.

Figure 1. *Organisational goals and strategies*

52 per cent mentioned service delivery, and 50 per cent mentioned public education. Comparatively, only 28 per cent of respondents mentioned fundraising or grant management. Figure 1 shows that the top three substantive goals are statistically more salient to respondents than fundraising. When leaders were prompted to consider their organisational goals, they considered the objectives related to their principled mandates more so than financial objectives.[42]

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[42] Fundraising and grant management are contained under a single code. The number of respondents who mentioned fundraising specifically is substantially smaller.

Error bars represent the 95% confidence interval. n = 149.

Figure 2. *Obstacles to goals*

Second, whereas the instrumental perspective implies that obtaining increased resources should be a primary objective, the principled view largely neglects the role of fundraising as a significant factor affecting TNGO behaviour. Although leaders generally did not report fundraising as an organisational goal, when asked about *obstacles* to goals, respondents overwhelmingly mentioned financial constraints as their first and foremost concern. Interviewers asked leaders the following question: 'What are the major obstacles, if any, to reaching your objectives?' Almost three-quarters, or 73 per cent, of leaders mentioned funding. The next most prominent obstacle concerned the political or social context, which was mentioned by 43 per cent of respondents. Other notable obstacles include staff or associate competencies (32 per cent), local resistance (26 per cent), and bureaucratic and legal requirements (20 per cent). Figure 2 shows that financial obstacles are significantly more salient than any other obstacle. These results suggest that TNGO leaders predominantly view the need to secure resources as a *constraint* rather than an *objective*.

Third, whereas the principled view predicts that organisations should only rarely alter their missions, except perhaps in response to changes in their operating environments, proponents of an instrumental perspective argue that organisations frequently change their goals and mandates in response to resource availability. Our study suggests that organisational goals are surprisingly stable. After having discussed their organisational goals, leaders were asked: 'Have these objectives changed any in the last 10 years? If so, in what ways have they changed?' Table 2 displays a portrait of TNGO goal and strategy change. Although many TNGO leaders reported changes in their strategies during the last ten years (44 per cent), changes in organisational

	Frequency	Percent
Mostly just the goals have changed	1	1%
Mostly just the strategies have changed	56	46%
Both goals and strategies have changed	32	26%
Neither goals nor strategies have changed	34	28%
Total	123	100%

Error due to rounding.

Table 2. *Goal or strategy change*

goals were far less common. Only one respondent mentioned that his or her organi-
sation's goals had changed significantly within the last ten years.

The sole respondent for whom his or her organisation's goals had changed did
not report that this change was due to funding concerns. Of the respondents for
whom only their strategies had changed, 32 per cent listed funding as one of the
reasons. For those who indicated that both their goals and strategies had changed,
39 per cent mentioned funding. Overall, only about 30 per cent of respondents
mentioned funding concerns in the context of goal or strategy change. As shown in
Figure 3, the most common reasons for goal or strategy change were not related
to funding, but were attributed to changes in operating environments (42 per cent)
and mandate expansion (42 per cent). Indeed, many leaders described implementing
specific strategies to guard against donor control and safeguard organisational
autonomy.[43] For example, subsequent conversations with TNGO leaders confirmed
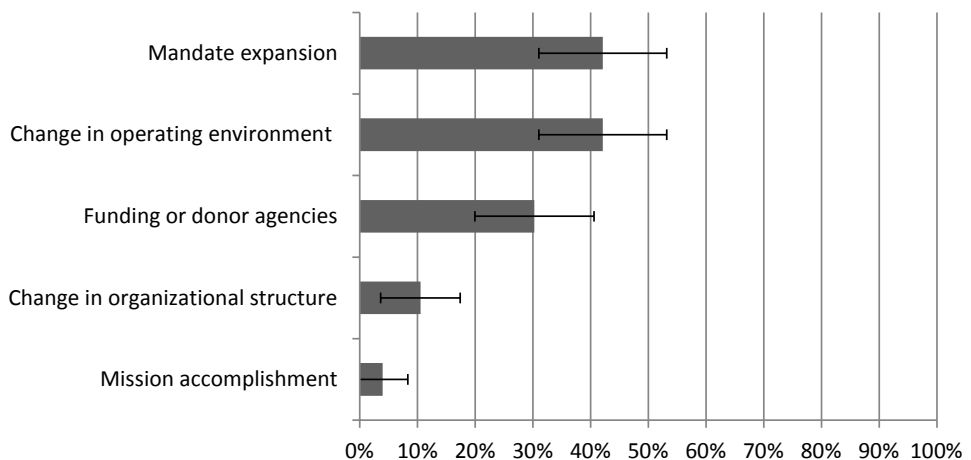
Error bars represent the 95% confidence interval. n = 79.

Figure 3. *Reasons for goal or strategy change*

[43] George E. Mitchell, 'Strategic Responses to Resource Dependence Among Transnational NGOs Registered
in the United States', *Voluntas* (2012), doi: 10.1007/s11266-012-9329-2.
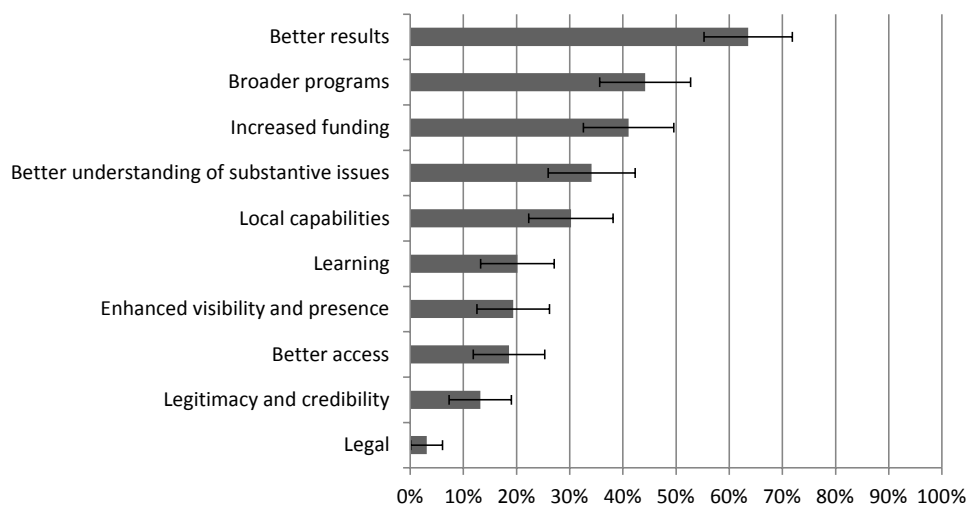
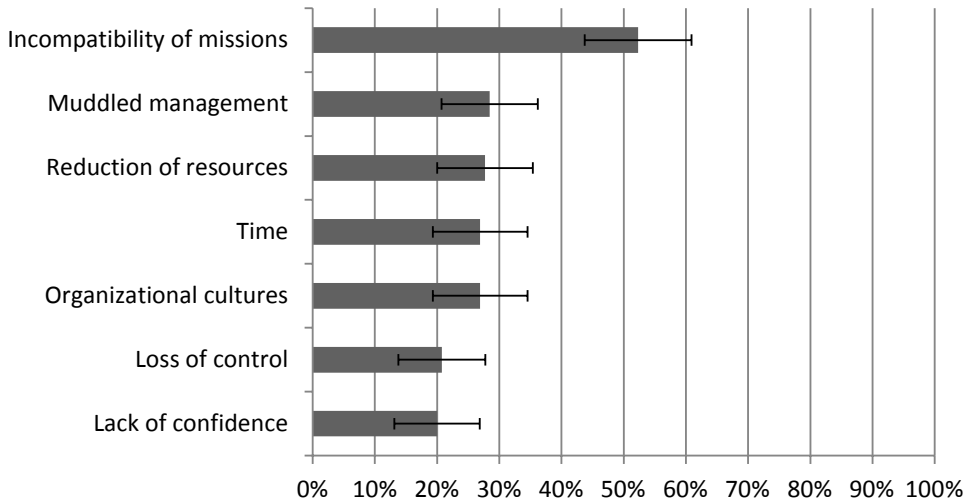Error bars represent the 95% confidence interval. n = 79. n = 129.

Figure 4. *Benefits of partnerships and collaborations*

that, as a general rule, many prefer to limit funding received from any individual source to no more than 30 per cent to protect their independence.[44]

Fourth, scholars have traditionally contended that organisations are motivated to collaborate to enhance the effectiveness of programmes and campaigns, predicting more cooperation and a stronger global civil society as the number of TNGOs increases. However, instrumentalist accounts portray the TNGO sector as a market characterised by fierce competition among organisations vying for scarce resources, predicting increased competition as organisations avoid collaboration unless doing so enhances their ability to secure more resources.

Investigating the perceived benefits of partnerships can help reveal the motives behind leaders' decisions to collaborate with their peers. Interviewers asked respondents: 'What kinds of benefits, if any, do you see resulting from networks and the formation of partnerships?' As displayed in Figure 4, the greatest number of respondents, 64 per cent, mentioned better results as a primary benefit of partnerships and 44 per cent mentioned broader programmes. Forty-one per cent of respondents mentioned increased funding. Only 19 per cent of respondents mentioned enhanced visibility and presence and only 13 per cent mentioned increased credibility, either of which could be interpreted as indication of strategic behaviour aimed at raising organisational profiles to attract more resources. However, these factors were statistically less salient than increased results. These findings suggest that better results and broader programmes are the primary drivers behind TNGO collaborations, followed by increased funding.

[44] Amnesty International is an exception among prominent advocacy organisations by relying primarily on membership dues. In the service sector, the child sponsorship programmes approximate a membership model (without the participation of donors in the governance of the organisation). While these fundraising strategies have issues of their own, they are effective in preserving the autonomy of the organisation from large donors.

Error bars represent the 95% confidence interval. n = 130.

Figure 5. *Obstacles to partnerships and collaborations*

Fifth, principled approaches imply that TNGOs are highly protective of their missions and that the necessity of safeguarding their principles could pose the most important obstacle to partnerships. The instrumental perspective predicts that organisations will subjugate their missions to maximise resource acquisition as organisations seek to maximise their own share of market resources at the expense of their peers. Examining the perceived obstacles to partnerships can help reveal the extent to which mission-related and financial concerns are salient to TNGO leaders. To investigate the obstacles to collaborations that TNGO leaders perceive, interviewers asked leaders the following questions: 'Are there obstacles or challenges that arise in the formation of partnerships and networks? What difficulties, if any, do other NGOs in your field pose for your organization?' Figure 5 displays the results. 52 per cent of respondents mentioned incompatibility of missions, 28 per cent mentioned managerial problems, 28 per cent mentioned reduction of resources, 27 per cent mentioned organisational cultures, and 27 per cent mentioned time. Incompatibility of missions was significantly more salient than any other concern. Furthermore, analysis shows that TNGO leaders were more likely to mention financial resources as a benefit, rather than as an obstacle to collaboration.

Leaders generally view partnerships positively as a means for enhancing the effectiveness and scope of programmes and were substantially more concerned about protecting their core missions than they were with losing resources through competition. For example, a respondent from a humanitarian relief TNGO (ID = 60) said:

I see everyone as a potential partner rather than a potential competitor, especially in this industry. It is just kind of the way that you have to look at it. If it is true that we all genuinely are trying to support the missions that we advocate, then we're going to be willing to work together to further enhance that mission.

A leader from a sustainable development organisation (ID = 77) explained that what competition does exist does not necessarily affect the ability of TNGOs to cooperate. 'It is the nature of this industry to compete and then to hug each other after competing', the leader said. Similarly, another such leader (ID = 137) said: 'We tend to work with organizations whose goals are fairly similar to ours where we have some relationship over the long-term. We can each look out for each other. While we might compete one day, we are collaborative the next.'[45]

Unlike the for-profit sector, competition is not the default and to remain effective TNGOs must manage ongoing relationships with other organisations against which they may have competed for funding in the past. The overriding motive behind partnerships and collaborations appears to be increased efficacy through pooled resources, and competition is only occasionally a salient attribute of the resource acquisition process. The perspective that emerges is one that focuses more on questions of how TNGOs can structure partnerships more effectively to achieve better results while still safeguarding the integrity of their unique missions.

To summarise, evidence suggests that: (1) TNGO leaders understand their organisations' goals as those expressed in their principled mandates; (2) the need to secure resources is highly salient as a constraint, but not as an objective; (3) TNGOs do not appear to significantly adjust their goals in response to resource availability; (4) leaders view peer organisations as potential partners to augment organisational effectiveness more so than competitors that diminish scarce resources; and (5) leaders evince substantial concern over safeguarding their organisational missions and are significantly less preoccupied with the possibility that the presence of peer organisations may reduce funding availability.

Transnational NGO scholarship can benefit from the perspectives of TNGO leaders. In the following section, we synthesise these findings to propose a model of TNGO behaviour we term 'principled instrumentalism'.

Principled instrumentalism

Transnational NGOs have to make choices about where to invest their limited resources most effectively. In the short-term, they must manage a balance between addressing the immediate needs of beneficiaries and allocating enough funds to sustain the organisational growth necessary for improving long-term effectiveness. Because the global need for the activities and services of TNGOs is so vast, it is natural that organisations will converge on strategies that accommodate perpetual organisational growth. This internal investment may appear instrumental in the short-term as organisations expend resources on fundraising at the expense of current programmes, but in the long-term such investments may help sustain higher levels of programme spending over future periods.

Most TNGO leaders define organisational effectiveness as the extent to which they make specified levels of progress toward their predetermined goals.[46] To maintain the widest generality, we assume that an organisation's long-term effectiveness is

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[45] This sentiment has also been confirmed in subsequent in-depth conversations with TNGO leaders. When discussing the role of collaborations and partnerships in a workshop setting, leaders frankly admitted that competition is a part of their daily lives, but insisted that it is not a predominant concern.

[46] George E. Mitchell, 'The Construct of Organizational Effectiveness: Perspectives From Leaders of International Nonprofits in the United States', *Nonprofit and Voluntary Sector Quarterly*, 42 (2013), pp. 324–45.

proportional to the magnitude of the substantive impact it creates through its programming. As such, we further assume that long-term organisational effectiveness depends upon the level of programming, *P*, in each period. We thus distinguish between the short-term, composed of only one period, and the long-term, composed of multiple periods. We present a model consisting of multiple periods, consistent with the view that TNGOs seek to maximise long-term, not short-term effectiveness. For simplicity, we introduce the two-period case.

$$Effectiveness = \sum_{t=1}^{2} p_t \tag{1}$$

The most salient obstacle to TNGO leaders is funding, which we include in the budget constraint in accordance with leaders' perspectives. The budget for the first period, B_1, is augmented by prior fundraising income, $\frac{F_0}{\alpha_0}$, where F_0 represents prior fundraising expenditures and α_0 is the cost to raise one dollar, a widely used measure. The TNGO chooses the level of current programming, P_1, at a cost of β_1, as well as the level of current fundraising, F_1.

$$B_1 + \frac{F_0}{\alpha_0} = \beta_1 P_1 + F_1 \tag{2}$$

where

$$F_0 = 0$$

The second period constraint can similarly be written as follows.

$$B_2 + \frac{F_1}{\alpha_1} = \beta_2 P_2 + F_2 \tag{3}$$

where

$$F_2 = 0$$

Combining (2) and (3) and solving for P_2 yields the intertemporal budget constraint.

$$P_2 = -\frac{\beta_1}{\alpha_1 \beta_2} P_1 + \frac{B_1}{\alpha_1 \beta_2} + \frac{B_2}{\beta_2} \tag{4}$$

And given (3) it can also be shown that the level of programming in period two depends positively upon the amount of fundraising undertaken in period one and negatively upon fundraising and programming costs.

$$P_2 = \frac{F_1}{\alpha_1 \beta_2} + \frac{B_2}{\beta_2} \tag{5}$$

Finally, solving (2) for P_1 and inserting (2) and (5) into (1) yields the following.

$$Effectiveness = P_1 + P_2 = \frac{B_1 - F_1}{\beta_1} + \frac{F_1}{\alpha_1 \beta_2} + \frac{B_2}{\beta_2} \tag{6}$$

In a static environment TNGOs would myopically spend all of their resources on programmes since there is no possibility for a return on fundraising. According

to a static, short-term view, TNGOs with positive non-programme expenditures are unprincipled or otherwise not living up to their mandates since these expenditures are not investments but rather a form of self-interested consumption or waste. In a dynamic, long-term environment, however, fundraising investments may result in greater long-term impact through positive future returns even though they necessarily reduce current programme spending.

Most transnational NGOs are engaged with persistent issues (for example, promoting human rights, protecting the environment, reducing poverty, and so forth) that require more than one round of fundraising and programming. Organisations simultaneously engage in programming (principled) and fundraising (instrumental) behaviour. However, evidence from TNGO leaders suggests that is inaccurate to equate instrumentalism with unprincipled behaviour or self-interested resource acquisition. Instead, TNGOs are instrumental in that they make rational internal decisions about resource allocation between programming and fundraising so as to maximise long-term organisational effectiveness. They are also principled in that their objective function maximises long-term organisational effectiveness. In essence, a TNGO's principles determine its objective function, while its external environment determines its financial constraints. Transnational NGOs can thus be understood as classical constrained optimisers: they rationally maximise long-term organisational effectiveness given exogenous financial constraints. We term this phenomenon 'principled instrumentalism'.

This framework implies a number of novel research implications. Intertemporally, strategic TNGOs will increase programming (decrease fundraising) when the cost to raise one dollar rises, *ceteris paribus*, because the long-term return to current programming will rise in relation to the return to fundraising. Moreover, when the cost to raise one dollar falls rational organisations will reduce programming (increase fundraising), *ceteris paribus*, to exploit the more advantageous fundraising environment. This helps explain, for example, why TNGOs are more likely to place expensive television advertisements shortly after natural disasters heavily publicised by the media. In the wake of such events, individual donors are more amenable to making contributions, substantially lowering a TNGO's cost to raise one dollar.

Similarly, if a strategic TNGO's current operational environment deteriorates, effectively increasing the cost of current programmes, it will scale back current programming (increase fundraising) to accommodate the shock, *ceteris paribus*. It is not necessarily that TNGOs balk in the face of adversity, but that TNGOs may be better off allocating programme spending over time away from relatively inefficient periods and toward relatively more efficient periods. Alternatively, if a TNGO's current operational environment were to improve (for example, through increased target vulnerability or improved opportunity structures) it will increase current programming (reduce fundraising), *ceteris paribus*.

Many transnational NGOs work across multiple issue areas and have the capability to allocate resources among different programmes to maximise long-term effectiveness. The mandate expansion that many TNGOs experience may partly be explained as a rational strategy that is responsive to changing environmental conditions. This same behaviour could also result if donor communities continuously reallocate resources among *causes célèbres*. Strategic TNGOs will adjust their programme portfolios to increase fundraising when doing so increases long-term effectiveness. While our data suggest that organisations rarely change their overarching missions, they

occasionally expand the scope of their programmes as they adapt their strategies to changing circumstances.[47]

More sophisticated models taking into account administrative spending, saving, borrowing, and other factors would surely achieve greater fidelity, but are not necessary to illustrate our major claims. Prior scholarship has argued that organisations are subjected to external forces that undermine their supposedly principled character. However, we find that there is no necessary conflict between principled behaviour and strategic responses to exogenous financial conditions over the long-term. Acting dynamically and instrumentally, TNGOs rationally pursue their principled goals given the external constraints that they confront.

Disaggregating TNGOs: a universal framework?

Our model offers an organising framework that clarifies and reconciles prior scholarship advancing seemingly contradictory arguments. A common criticism of models of the type we propose is that they are positivistic and inappropriately universalising. We believe that the first charge does not apply because our model has been developed abductively from a large-n interview study of top organisational leaders from a diverse sample of TNGOs. Moreover, we have not presumed much about organisations' objective functions apart from assuming that fundraising and programming activities are costly and that organisational effectiveness depends positively on the level programming. Regarding TNGOs' external environments, we only assume that costs are exogenous and variable over the long-term. The latter critique, however, deserves further attention.

There are two senses in which scope conditions limit the applicability of the model. First, as has already been noted, our findings may be limited to organisations based in the United States. Our inferences may be generaliseable to TNGOs based in Europe or even in the global South, but we have no direct evidence to support or reject such claims. In the second sense, there may be important differences among various types of TNGOs such that our model would fit some subsets of the population better than others. Here we must consider the operational distinction between advocacy and service delivery organisations, as well as other potential variables such as organisational size.[48] While we assert that the concept of principled instrumentalism can be used to describe and understand TNGO behaviour generally, common sense suggests that advocacy and service delivery organisations may differ in theoretically consequential ways.

For organisations concerned with the delivery of certain materials or services, maximising organisational effectiveness is likely to involve some form of average cost minimisation. If service delivery groups focus exclusively on short-term goals such as providing food and shelter after a natural disaster, they are more likely to compete with others for contracts and they may find relatively fewer reasons to enter into broad-based networks with other groups.[49] As a result, maximising effectiveness

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[47] We would also expect more evidence of goal displacement at the programme level among non-US organisations, which could be subject to greater power inequalities in the North-South context.

[48] Jesse D. Lecy, George E. Mitchell, and Hans Peter Schmitz, 'Advocacy Organizations, Networks, and the Firm Analogy', in A. Prakash and M. K. Gugerty (eds), *Advocacy Organizations and Collective Action* (Cambridge: Cambridge University Press, 2010), pp. 229–51.

[49] Alexander Cooley and James Ron, 'The NGO Scramble'.

is more likely to be characterised by a desire for access (via donor support) and a need for growth allowing the group to produce the services within the boundaries of its own organisation with greater economy of scale.

In contrast, advocacy groups may be more likely to define effectiveness in terms of long-term social and political change and to pursue such goals in a collective-cooperative (for example, networking), rather than individual-competitive manner. Maintaining organisational boundaries is not as useful for advocacy organisations because significant power can only be exerted through networks of like-minded individuals with the capacity to shape public opinion and the preferences of key targets.[50] Unlike service delivery organisations that can more easily demonstrate efficiency and effectiveness by minimising costs per recipient and measuring outputs, advocacy groups and their supporters must exercise greater creativity in defining effectiveness and measuring results. This is complicated by the fact that most advocacy organisations broadly share knowledge and resources, rendering it difficult to attribute outcomes to particular members within a network.

However, evidence from our study suggests that while subsets of advocacy- and service delivery-oriented organisations still exist within the general population of TNGOs, organisations appear to be converging toward a more heterodox approach. Unfortunately, the snapshot provided by the interview study does not allow us to track the long-term movement toward 'rights-based development' that explicitly calls for service delivery organisations to strengthen advocacy strategies.[51] While the central concept of organisational effectiveness is necessarily broad, we have explicitly defined it here in terms of organisations striving to achieve progress toward their own goals. While this is very general, we have attempted to open the door to more specific operationalisations taking TNGO heterogeneity into account.

Conclusion

Transnational NGO scholarship focuses considerable attention on the variously principled or self-interested motives of organisations. This article confirms the presence of these complex motivations and advances the literature by offering a theoretical model describing how principled and interest-based motives interact to explain TNGO behaviour. Relying on unique, cross-sectoral interview data, the study confirms that funding concerns are highly salient to TNGO leaders, but function primarily as a set of constraints within which organisations pursue their principled missions. We find little support for arguments that see a preoccupation for organisational survival as a major logical cause for unprincipled behaviour. Principles appear to be constitutive of TNGO identities at the level of their core missions, which rarely change in direct response to funding availability. Moreover, our model helps explain why internal decisions about resource allocation may alternately appear principled and instrumental as organisations respond rationally to exogenous shocks. In short,

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[50] Jesse D. Lecy, George E. Mitchell, and Hans Peter Schmitz, 'Advocacy Organizations, Networks, and the Firm Analogy'.

[51] Hans Peter Schmitz, 'A Human Rights-based Approach (HRBA) in Practice: Evaluating NGO Development Efforts', *Polity*, 44 (2012), pp. 523–41.

the model offers a general framework for analysing the complex decisions TNGO leaders continuously confront.

Research programmes rooted in constructivism or rationalism have generated divergent conclusions about TNGO behaviour. But a constructivist-rationalist bifurcation precludes more comprehensive explanations of organisational activity. In addition to deductive approaches that purposively select cases to illustrate *a priori* theory, we recommend an exploratory, inductive approach to theory-building and urge scholars to adopt the heuristic of principled instrumentalism, which explicitly incorporates tenets associated with constructivist and rationalist research.

The lack of a theory of TNGO behaviour has put TNGO scholarship at a relative disadvantage compared to more established social scientific theories of the state and the firm. Part of the difficulty lies in the fact that unlike states and for-profit corporations, TNGOs do not appear to uniformly share a common substantive goal, such as maximising national security or economic profits. This lack of goal-homogeneity within the TNGO sector is obvious when one considers the impressive breadth of issues TNGOs pursue, from performing highly specific services in limited geographical areas to propagating global human rights norms. Without a clearer idea of what TNGOs actually do, a comparable theory of TNGO behaviour has remained elusive. Prior characterisations have often been derived from narrow subsets of the TNGO population, such as a particular sector or movement. Having identified this gap, we have developed a general theory of TNGO behaviour based on a large and diverse sample of TNGOs registered in the United States. Based on our experience, we believe that future research in this area should combine in-depth qualitative investigations with large, representative samples to reduce the likelihood of bias in case selection. In particular, we would like to see the results of this study reproduced or challenged by similar investigations covering organisations headquartered outside of the US, particularly in the global South.

Beyond the global TNGO sector, the principled instrumentalism heuristic provides a useful analytical framework for analysing the behaviour of many actors in global affairs motivated by principles but constrained by limited resources. As with any model, it may not explain every single case, but it offers an organising framework based on the assumptions that: (1) principles are a stable component of organisational identity; and (2) resource availability acts as a constraint on substantive goal attainment. Future research seeking to understand TNGO behaviour should examine this interaction between a TNGO's normatively conditioned goals and the exogenous constraints imposed by its external environment. Examinations of this dynamic interaction will likely provide fuller accounts of organisational behaviour.