3 *After the INGO Explosion*

In 2006, a young American entrepreneur named Blake Mycoskie took time off work to vacation in Argentina. He visited a local cafe and met another American who was volunteering on a shoe drive. Mycoskie traveled for several days with the volunteer and witnessed the intense poverty that caused children to go barefoot. As he recounts in his memoir:

> I knew somewhere in the back of my mind that poor children around the world often went barefoot, but now, for the first time, I saw the real effects of being shoeless: the blisters, the sores, the infections – all the result of children not being able to protect their young feet from the ground.[1]

This experience inspired Mycoskie into action. He decided to create a new type of for-profit firm: What we now call "social entrepreneurship." The new business – TOMS Shoes – was based on an innovative one-to-one model in which, for every pair of shoes sold, the company donated a pair to a child in need. TOMS became enormously popular in the 2000s and 2010s, spawning many similar businesses combining profit and a social mission. Although Mycoskie's model was criticized for failing to address the root causes of poverty, Cotopaxi founder Davis Smith (who similarly adopted a social enterprise model for his outdoor gear company) credited him with "usher[ing] in the age of social entrepreneurship" as a viable business model.[2]

The story of TOMS is interesting to us because international non-governmental organizations (INGOs) – not firms – have traditionally been the main channel through which entrepreneurs have sought to

[1] Mycoskie (2011, 5).
[2] Knowledge at Wharton, "The One-for-one Business Model: Avoiding Unintended Consequences," February 15, 2015. Available at https://knowledge.wharton.upenn.edu/article/one-one-business-model-social-impact-avoiding-unintended-consequences/ (last accessed July 19, 2023).

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address social issues abroad. The best available information suggests that there were at least 10,397 active INGOs around the world in 2022, up from 5,739 in 1990 and 1,098 in 1950.[3] Today, there is no major issue area in world politics in which INGOs are not active.

But despite the size and importance of the INGO sector, Mycoskie decided *not* to found a new INGO, even though he was an entrepreneurship-minded individual seeking to help the world. There were (and still are) other American INGOs working in Argentina, indicating that it was a viable location to work, and Mycoskie had already made connections with local volunteers in the nonprofit space. Even though he described his motivations as primarily charitable, instead of founding an INGO, Mycoskie channeled his desire to help children living in poverty toward a different type of organization. Why? As Mycoskie explains it:

> My first thought was to start my own shoe-based charity, but instead of soliciting shoe donations, I would ask friends and family to donate money to buy the right type of shoes for these children on a regular basis. But, of course, this arrangement would last only as long as I could find donors … Why not come up with a solution that guaranteed a constant flow of shoes, rather than being dependent on kind people making donations? In other words, maybe the solution was in entrepreneurship, not charity.[4]

In short, his primary concern was the lack of sustainable resources available to new organizations in the nonprofit space. And this concern was so significant that he decided to launch a new type of firm with an untested business model to try to achieve his social welfare goals.

Mycoskie acknowledges that many people thought he was crazy for starting TOMS Shoes.[5] But – as this book will show – his choices reflect a broader trend starting in the mid-2000s *away* from creating international nonprofits. In some cases, would-be founders are pursuing alternative organizational forms like Mycoskie, but in other cases, they are likely not starting any organizations at all. As we document in this book, new INGO foundings in the United States and many other

[3] Calculated based on data from the Yearbook of International Organizations (YIO) and WINGO (Lall, 2023), discussed in more detail further and in Chapter 1.
[4] Mycoskie (2011, 5–6)
[5] Ibid. (19).

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countries have declined since the heyday of the 1990s. But there is still a great deal of unmet social need, and the available resources have not decreased overall. How do we explain this puzzling decline in new foundings?

This chapter explores that question as it pertains to American INGOs. Our theory emphasizes that competition and population density drive entrepreneurs' decisions about whether to found international nonprofits. This approach helps us understand broader trends such as why many potential INGO founders (like Mycoskie) are turning away from creating new INGOs, why existing INGOs are failing at higher rates, and why new types of organizations like "B-Corps" (for-profit firms that are certified for "social and environmental performance") might be challenging INGOs' dominance in some areas.

The chapter begins by discussing the paucity of prior research on this topic and briefly recapitulating our theory from Chapter 2 as it applies to INGO foundings. We then test our argument in two ways. First, we use data drawn from tax records on American INGOs that were founded in the three decades after the end of the Cold War to establish that there is a curvilinear relationship between population density and foundings. Second, we present a qualitative case study of civil society and democracy INGOs, drawing on memoirs, document analysis, and interviews with INGO founders and long-time practitioners. The case study uses process tracing to demonstrate how the extent of mutual support vs. competition shifts in a population as density increases, which provides additional support for our hypothesized causal mechanism. Finally, the chapter concludes by extending our argument about INGO foundings to INGO *deaths*. We find that density has a curvilinear relationship with both INGO entry and exit.

3.1 The Importance of INGO Foundings

INGOs are central to contemporary global governance. They often take on roles that states are unwilling or unable to fill. Yet, INGOs did not always play substantial roles as advocates, service providers, monitors, and enforcers in world politics. Their number and influence dramatically expanded during the twentieth century.[6] INGO growth

[6] Mathews (1997); Keck and Sikkink (1998, 11).

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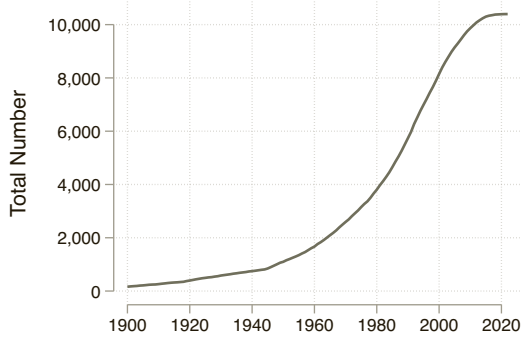


Figure 3.1 The total number of INGOs in the world, 1900–2022
Notes: The sources are the Yearbook of International Organizations (2023 electronic edition) and WINGO. See Union of International Associations (1953–2023) and Lall (2023).

was particularly rapid in the 1980s and 1990s, when shifting geopolitics, technological changes, and new international norms stimulated foundings.[7] This wave of INGO growth is not the first in history, but it is the largest.[8]

The first generation of international relations (IR) scholarship on INGOs demonstrated how they spread new norms and cooperated to address global problems.[9] For example, Margaret E. Keck and Kathryn Sikkink described how the growing activity of networked INGOs influenced states' environmental and human rights policies. Their path-breaking study emphasized the functional advantages of transnational advocacy networks, which they characterized as being "lighter on their feet" than more hierarchical modes of organization.[10] This research roughly coincided with an intense period of INGO growth in the 1980s and 1990s (see Figure 3.1).[11]

Figure 3.1 also indicates that INGO growth slowed in the twenty-first century and has now plateaued. The annual growth rate peaked at 5 percent in 1992 (with a 1990s average of 4 percent) and dropped

[7] Boli and Thomas (1999); Reimann (2006).
[8] Davies (2014).
[9] Wapner (1995); Risse, Ropp, and Sikkink (1999); Price (2003).
[10] Keck and Sikkink (1998, 8).
[11] Union of International Associations (1953–2023).

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to less than 0.1 percent by 2022 (with a 2010s average of 0.5 percent).[12] As a staff member from Save the Children explained to us, "I think if you're in the US and you're thinking about founding an NGO [non-governmental organization], I would say ask around if the world really needs another NGO or if your intelligence and your resources can be used maybe in a different way … I don't think it's a growth industry."[13]

The stagnation in INGO foundings in the United States (see Figure 1.1) and globally (see Figure 3.1) has significant domestic and international implications. For example, as growth rates have declined, INGOs have also aged. Most INGOs created in the heyday of the 1990s have already celebrated their thirtieth birthday. And since organizational aging is often associated with bureaucratization and decreasing innovation,[14] this trend may well alter how INGOs operate in world politics. This chapter also demonstrates that decreased foundings have occurred alongside increased organizational mortality. Moreover, stagnation in growth rates in a given population is often associated with opportunities for challengers to emerge,[15] a dynamic that is suggested by the TOMS example and discussed further in Chapter 6.

3.2 Prior Research on INGO Creation

The IR literature on INGOs has proposed little theory or evidence on the causes of INGO foundings. Scholars in other disciplines have been more attentive to this question. For instance, sociologists have examined how country characteristics such as the level of economic development make the creation of INGOs more or less likely.[16] However, these insights are less relevant to our research question, since we seek to understand overtime variation *within a country* in INGO foundings, and the level of economic development in a country usually changes slowly. Meanwhile, scholars of social entrepreneurship have explored how individuals' traits influence their intention to

[12] Calculated based on data in Union of International Associations (1953–2023).
[13] Interview, David Barth, Save the Children, December 9, 2021 by Zoom.
[14] On bureaucratization, see Bush (2015).
[15] Abbott, Green, and Keohane (2016).
[16] Boli and Thomas (1999).

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engage in social entrepreneurship, but have not typically connected individual-level factors to real-world organizational outcomes.[17] In addition, public administration scholars consider how government funding affects the founding of nonprofit organizations writ large.[18] This research yields important insights that we use to investigate INGO foundings.

The silence within IR is surprising, since INGOs must be created before they can affect world politics, for better or worse. An important exception is research on how the international normative environment has encouraged NGO growth,[19] which has generally focused on the first half of the curve (i.e., the rise) illustrated in Figure 3.1.

More generally, IR scholars have considered three sets of factors that shape INGO behavior, which we extend to consider the drivers of INGO foundings. First, media attention may indicate or stimulate demand for INGO foundings. Previous research has established that multiple factors influence media attention to social problems such as human rights violations, but that such attention nevertheless reflects objective conditions.[20] Increased attention and "problem pressure" may stimulate both external support for and entrepreneurial interest in starting INGOs. Media attention can boost public awareness and encourage supportive public opinion – and create a larger pool of potential INGO founders with an interest in a cause. Would-be founders may also believe it will be easier to secure funding, members, and policy influence under such conditions.[21]

Second, government resources and policy attention may indicate or stimulate demand for INGO foundings. Government resources and policy attention influence INGO behavior in myriad ways.[22] In the United States, for example, aid agencies have increasingly channeled aid via INGOs and domestic NGOs – as opposed to giving it directly to governments – due to the belief that nongovernmental actors are better able to deliver aid in some contexts.[23] The resulting increase in

[17] Saebi, Foss, and Linder (2018).
[18] Lecy and Slyke (2013).
[19] Berkovitch (1999); Reimann (2006).
[20] Ron, Ramos, and Rodgers (2005).
[21] Bob (2005).
[22] Stroup (2012); Lecy and Slyke (2013); Bloodgood and Tremblay-Boire (2017).
[23] Stanger (2009); Dietrich (2016, 66).

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demand for INGOs' services may stimulate the creation of organizations. Policy attention to a given issue may also wax or wane depending on political shifts and current events. For example, we might expect more civil society and democracy INGOs to be founded during periods when policymakers are more engaged in the issue area, such as during the presidency of George W. Bush in the United States.

Third, international norms may encourage INGO foundings by promoting the legitimacy of this type of organization and supporting the spread of particular norms on which entrepreneurs focus. As noted earlier, Kim D. Reimann observed the emergence of a pro-NGO norm within powerful Western states and intergovernmental organizations (IGOs) during the 1980s and 1990s.[24] This changing normative environment created new ideas about the appropriateness of INGOs as well as new opportunities for policy influence. In tandem, scholars working in the world society tradition have argued that international models of behavior guide domestic action.[25] For example, Ann Hironaka argues that the development of the global environmental system, and especially IGOs working in this area, encouraged the growth of environmental INGOs.[26] In sum, both perspectives suggest that when international norms are more supportive, entrepreneurs will decide to found more INGOs.

But extending this line of work might lead to different predictions in the twenty-first century. The international system is arguably less supportive now of INGO foundings, which might explain the trends in Figures 1.1 and 3.1. States have engaged in both violent and nonviolent forms of crackdown on international and domestic NGOs.[27] Crackdowns have increased dramatically during the twenty-first century and been accompanied by the rise of global counter-norms that call into question the legitimacy of the INGO form that liberal democratic states promoted in the twentieth century.[28] These shifts may have caused would-be founders to doubt that creating a new INGO can generate social change.

[24] Reimann (2006, 59).
[25] Boli and Thomas (1999); Tsutsui and Wotipka (2004).
[26] Hironaka (2014).
[27] Chaudhry (2022). See also Christensen and Weinstein (2013); Dupuy, Ron, and Prakash (2015, 2016); Bakke, Mitchell, and Smidt (2020); Bromley, Schofer, and Longhofer (2020); and Glasius, Schalk, and De Lange (2020).
[28] Cooley and Nexon (2020, 140–144).

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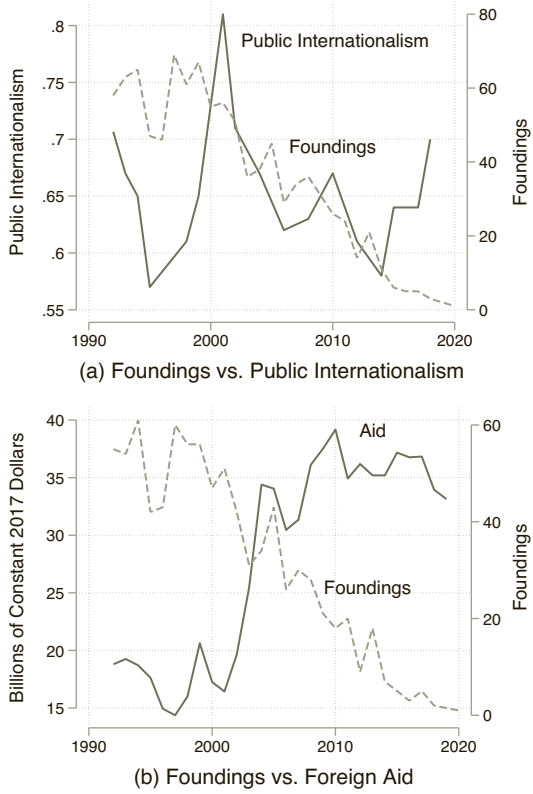


Figure 3.2 The number of INGO foundings per year, United States, 1992–2020.

Notes: The sources are the Yearbook of International Organizations (2023 electronic edition), WINGO (Lall, 2023), Roper Center for Public Opinion Research, East Asia Institute, Harvard University, et al. (2022), and the US Agency for International Development Greenbook

Existing theory cannot fully explain the patterns we observe for the foundings of American INGOs from 1992 to 2020 (Figure 3.2). Similar to Figure 3.1, which plots INGOs headquartered in *all* countries, Figure 3.2 shows that foundings of American INGOs peaked around 2000 and then sharply declined. To offer a preliminary examination of alternative explanations, Figure 3.2a depicts the percentage of Americans who think the United States should take "an active part in

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international affairs" based on longitudinal public opinion surveys.[29] This figure indicates that public support for international engagement (solid line) has fluctuated over time in a way that does not correspond to INGO foundings (dashed line), especially in the early and late years in the graph. Figure 3.2b visualizes foundings alongside the US foreign aid by year,[30] showing that – contrary to what previous theories would expect – the available resources increased dramatically around the same time that INGO foundings began to decline. Finally, we note that INGO foundings began to decline in 2000, which is when pro-NGO norms were firmly established but before anti-NGO laws began to take off globally,[31] which challenges an exclusively norm-based perspective.

3.3 How Density Affects INGO Foundings

Our approach emphasizes the importance of population density as a driver of INGO foundings. As discussed in Chapter 2, this perspective integrates insights from organizational ecology into a political economy model of INGOs. We conceptualize density as the number of organizations in the population of American INGOs in a given issue area.[32]

Our work builds on the INGO political economy approach of Alexander Cooley and James Ron, who maintain that organizations become increasingly competitive and insecure in dense environments, leading to dysfunctional programming.[33] But whereas their model implies that every new INGO introduces competition into the population, we argue that the effect of density varies over the life cycle of the

[29] This figure displays results for the question, "Do you think it would be best for the future of this country if we take an active part in world affairs, or if we stayed out of world affairs?" The results are interpolated for some years. See Roper Center for Public Opinion Research, East Asia Institute, Harvard University, et al. (2022).

[30] By "foreign aid," we refer to foreign economic assistance. The source is the US Agency for International Development, US Overseas Loans and Grants (Greenbook), 2023. Available at https://data.usaid.gov/Administration-and-Oversight/U-S-Overseas-Loans-and-Grants-Greenbook-Data/7cnw-pw8v/about_data (last accessed February 23, 2024).

[31] Bakke, Mitchell, and Smidt (2020); Bromley, Schofer, and Longhofer (2020); Glasius, Schalk, and De Lange (2020).

[32] Carroll and Hannan (1989); Cooley and Ron (2002); Lecy and Slyke (2013).

[33] Cooley and Ron (2002).

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population. In the early stages of population growth, new INGOs often work together to build the legitimacy of their field and promote other new entrants. The competitive pressures introduced by new foundings thus come later, once a population has reached saturation. According to our proposed life-cycle approach, increases in density do not always lead to decreases in INGO foundings.

Based on this logic, the extent of mutual support within a population tends to increase monotonically with density, but at a *decreasing* rate. When there are only a few organizations in a population, the creation of a new organization increases the benefits to the field as a whole, making organizations likely to support one another. For example, an initial wave of foundings can convince various audiences that a new organizational form, such as an INGO, is an acceptable and effective way to achieve some common goal. But when there are already many organizations in a population, a new organization contributes only a little to the overall field's benefits, making organizations less likely to support one another. Therefore, competition tends to increase monotonically with density, but at an *increasing* rate. When there are few organizations in a population, the founding of a new organization creates some additional competition, but not as much as when the field is already saturated with organizations that perform similar functions and seek similar resources. Combining these two general tendencies suggests that foundings will initially increase with organizational density, and *then* decrease as density rises further.

This model implies that INGO entrepreneurs face predictably different conditions depending on the density of the field they are considering entering, which Figure 3.3 summarizes. At lower levels of density, the beneficial effects of mutual support will prevail and favor foundings in a population. For example, INGO entrepreneurs may receive helpful advice and guidance from others in the field; such actions may be understood as a form of cooperation, defined as when INGOs make mutual adjustments in their activities to accommodate each other.[34] They will also likely face less funding competition. Anticipating these responses from existing INGOs, new organizations are more likely to be created. Founders during these periods often reflect on the spirit of common endeavor they share with other INGOs.

[34] Abbott, Green, and Keohane (2016, 263).

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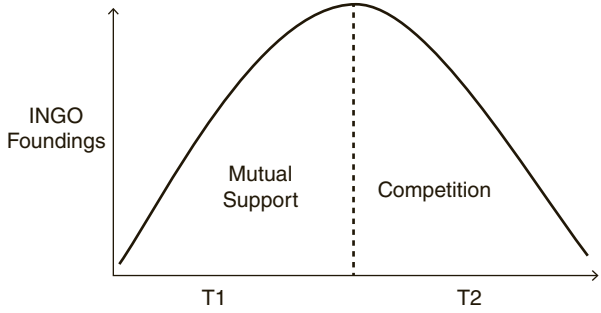


Figure 3.3 How environmental conditions influence INGO foundings
Notes: The likelihood of INGO foundings varies over time and depends on the degree of mutual support (which dominates during time period 1 (T1)) and the extent of competition among members of a population (which dominates during time period 2 (T2)).

For example, Aryeh Neier, one of the co-founders of what would become Human Rights Watch, later reflected on the supportive environment in the late 1970s and 1980s when his organization – as well as other prominent American human rights INGOs, including the Committee to Protect Journalists, Physicians for Human Rights, and what would become Human Rights First and Global Rights – was founded. He said, "A characteristic that distinguishes [these groups] was that those active in it ha[d] a strong sense of belonging to a global movement."[35]

But at higher levels of density, the benefits of mutual support are weaker and the competition for funding and other resources is fiercer. INGO entrepreneurs may be perceived as threats, be discouraged from entering the field, and have a harder time acquiring the initial support and guidance from peers needed to sustain a new INGO. Given these expected responses from existing INGOs, INGO entrepreneurs are more likely to stay out. This theoretical logic is echoed in the observation of practitioners from the Bridgespan nonprofit consulting agency that "timing can have a major influence over a nonprofit's ability to raise money and grow."[36] And founders we spoke to for this book also commented on the lack of support from other American INGOs when they created organizations during periods of

[35] Neier (2013, 9).
[36] Foster and Fine (2007).

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substantial density. For example, the founder of Sekolo, an American global health INGO that achieved tax-exempt status in 2004, described the hostile reception she encountered from potential allies:

> All of them were basically like, "We do our thing. If you want to do our thing, you can come and work with us. We're not going to work with you to a compromise between your thing and our thing." At the time, I was really frustrated because I was coming with expertise, some funding, and a willingness to work.[37]

For a variety of reasons both internal and external, the organization ceased its operations in the United States about a decade later.[38]

Our argument's recognition of the importance of competition falls within the political economy tradition. It departs in its emphasis on the life cycle of organizational populations, and especially its claim that a rise in density does not necessarily discourage the creation of new INGOs. Indeed, we expect the effects of density – and therefore the extent of organizational insecurity and competitive pressure – to vary predictably over time. This insight allows us to reconcile research in the political economy tradition with the first generation of scholarship on INGOs, which observed greater cooperation between such organizations: The INGOs studied by each group of scholars may have been operating in environments with different levels of density.

The experience of INGOs focused on international environmental conservation illustrates these dynamics (see also Chapter 5). Although the US conservation landscape had many important players by 1961, the World Wildlife Fund in the United States (WWF-US) was one of the first groups with an explicitly international focus. WWF-US had a cooperative ethos;[39] it was an important grant maker and stimulated the creation of other groups that supported its programming in specific locations or on certain topics. Other INGOs followed the WWF-US model of mutual support. For example, the Charles Darwin Foundation was formed in 1992 to fund conservation projects in the Galapagos, including both its own programs and those of other INGOs. As the founder described it, "When we started

[37] Interview, Elizabeth Robinson, Founder, Sekolo, by telephone, January 25, 2020.
[38] Ibid.
[39] Schwarzenbach (2011, 73).

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this organization in 1992, honestly it was pretty lonely. We were able to grow the field more generally by growing our own budget and showing up as funders throughout the 1990s."[40]

But competition among INGOs grew in the 2000s. In response, WWF-US began to gradually move away from grant-making toward a focus on its own distinctive programming. And other conservation organizations began to more jealously guard their "turf." As the founder of Pandas International explained, other INGOs with an interest in panda preservation actively discouraged her from founding her own group in 2000:

> Before [founding] we talked to [another panda conservation organization]. And they were very, "Oh, you know, you wouldn't want to do that. It's too hard. Don't do it." I think they saw us as competition, essentially. And we went ahead, because that's sort of my personality ... but the first few years were very difficult.[41]

Overall, the history of WWF-US and the Charles Darwin Foundation suggests that many INGOs viewed their peers as supporters during the 1980s and 1990s. But the experience of more recent founders in the American international conservation sector – many of whom we interviewed in connection with this project[42] – illustrates the competitive dynamics that discouraged foundings in later time periods.

When discussing new foundings, the INGO leaders we interviewed were careful to emphasize that they did not perceive a decreased *need* for their work today. Many offered positive assessments of the potential for new foundings to drive innovation that could better meet these needs. But they also expressed concerns about how new INGOs could thrive in the current competitive market. As one leader in the global health sector described these trends:

> [T]here's more competition than ever for a finite amount of traditional development and assistance ... And so there's space for new entrants, but not in dollar terms, necessarily. I think [of] the space in terms of the needs, to draw

[40] Interview, Johanna Barry, Founder, Galapagos Conservancy, by telephone, September 28, 2016.
[41] Interview, Suzanne Braden, Founder, Pandas International, by telephone, October 5, 2016.
[42] See a fuller treatment of this case in Bush and Hadden (2019).

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up new answers and offer new, innovative models for solving these massive development challenges.[43]

As a leader at a large humanitarian INGO also explained:

> Do I think that there's room for more? Yes. I also think that if you only had one organization, there wouldn't be new ideas and new innovation that come from new places. So, I do think that's necessary. Although . . . the more and more that come out, it's harder for each of those to fundraise. And so, [there are] definitely challenges with that.[44]

Our 2019 survey of American INGO leaders also provides some initial support for our argument and the general trends identified in Figures 3.1 and 3.2.[45] We asked respondents which funding sources their organization relied on; they named these (in descending order of importance) as private foundations, IGOs, for-profit businesses, national governments, other NGOs, and individual donors.[46] Nearly two-thirds (63 percent) of respondents said it had become more difficult for their organization to obtain funding over the past ten years, while 10 percent said it had become easier and 27 percent noted no change. If population density has increased so much that it is discouraging new American INGO foundings, we would expect there to be considerable and increasing competition for funding, which most respondents in our survey described. Whereas respondents who thought their issue area was collaborative felt this made it "somewhat easier" for their organization to achieve its mission on average, respondents who thought their issue was competitive believe this made it "somewhat more difficult."

3.4 Measuring American INGO Foundings

Thus far, we have presented YIO data on global and American INGO foundings (see Figures 3.1 and 3.2). Yet the YIO – despite

[43] Interview with health sector leader, January 14, 2021, by Zoom.
[44] Interview with director at American humanitarian INGO, November 15, 2021, by Zoom.
[45] For more details on the survey sample and methods, see Chapter 1 and Appendix.
[46] They also reported other, less important funding sources such as fees for service, membership dues, and impact investing.

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its widespread use in IR and other disciplines – has important limitations.[47] It relies on existing INGOs, the media, and IGOs' lists for information about INGO creation, and then on voluntary self-reporting and desk research for information on INGO activities and funding.[48] As such, it is missing entries for many smaller INGOs that are relevant for our measurement of foundings and density.[49]

Thus, for our quantitative analysis, we mainly rely on data from the National Center for Charitable Statistics (NCCS) which maintains information on American nonprofit organizations that is drawn from US government tax records.[50] The data is useful because American nonprofits classified as 501(c)(3)s with revenues of $50,000 or more (except certain religious organizations) are required to submit financial information to the Internal Revenue Service (IRS). For each organization, the NCCS gathers information on when the IRS recognized it as tax exempt, its revenues, and its issue area, which is primarily identified from program descriptions.[51] As of February 2024, the NCCS data have been released through 2019, so our analysis covers foundings during the period from 1992 to 2019 for an examination of the post-Cold War era.[52]

We focus on four populations of American INGOs in the NCCS data based on their issue area coding there: conservation, civil society and democracy, global health, and humanitarianism.[53] In our evaluation of population dynamics, it is important that relatively few INGOs were founded before our study period begins (1992) to avoid concerns about left censoring in the data. Thus, we examine the four major NCCS issue areas from the universe of US INGOs of which no more than 20 percent were founded prior to 1992. Other issue areas of interest – such as human rights and international development – are less suitable for

47 Bloodgood (2016); Bloodgood, Stroup, and Wong (2023).
48 Murdie and Davis (2012, 180).
49 Bush, Hadden, and Pavlik (2024).
50 For this analysis, we use the NCCS' Core Data PZ Files, which include 501(c)(3) organizations that file either IRS Form 990 or Form 990EZ.
51 Although some other countries have similar rosters, to our knowledge there is no comprehensive roster of global INGOs with comparable depth.
52 Available at https://urbaninstitute.github.io/nccs/catalogs/catalog-core.html (last accessed February 29, 2024).
53 For further details on how we identified these populations from the NCCS data, please consult Online Appendix §1. See Bush and Hadden (2025a).

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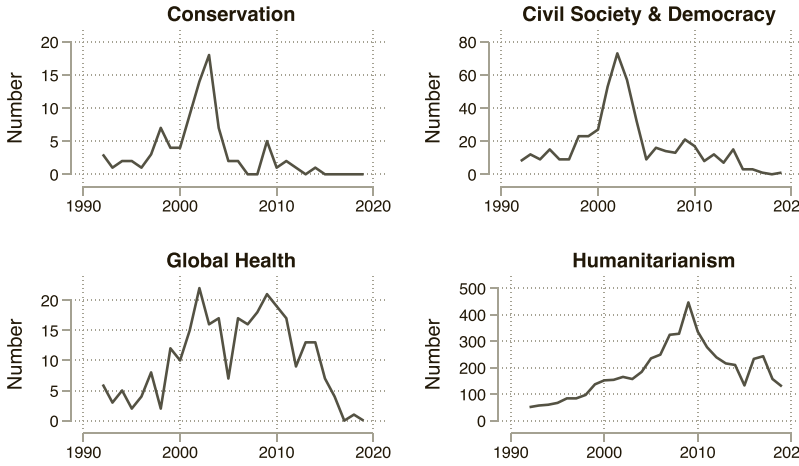


Figure 3.4 American INGO foundings by population, 1992–2019
Notes: The source is the National Center for Charitable Statistics, Core Data PZ Files.

this analysis because their populations were already very large when our data begins.

The resulting set of American INGO populations is diverse in three significant ways. Two involve commons problems (conservation and global health) and two do not (civil society and democracy and humanitarianism). Moreover, two involve work in primarily Global South countries (global health and humanitarianism), while two entail work in both the Global North and South (conservation and civil society and democracy). Finally, the populations vary in peak sizes (e.g., a few dozen conservation INGOs vs. several thousand humanitarian INGOs in the last years of our NCCS data). Examining diverse INGO populations allows us to identify the effect of density across sectors with different fixed issue area characteristics.

Figure 3.4 charts the number of INGO foundings by year and issue area; foundings are defined as the year the IRS recognizes an INGO as tax exempt. Across all four populations, more INGOs were founded each year until a certain point, after which fewer were created. These patterns support our expectation that foundings are density dependent. Each population's peak occurs in a different year, which suggests that no common shock discouraged foundings. Moreover, the curvilinear trends in foundings do not correlate with revenues reported to the IRS. Figure 3.5 (on total revenues reported by INGOs in each

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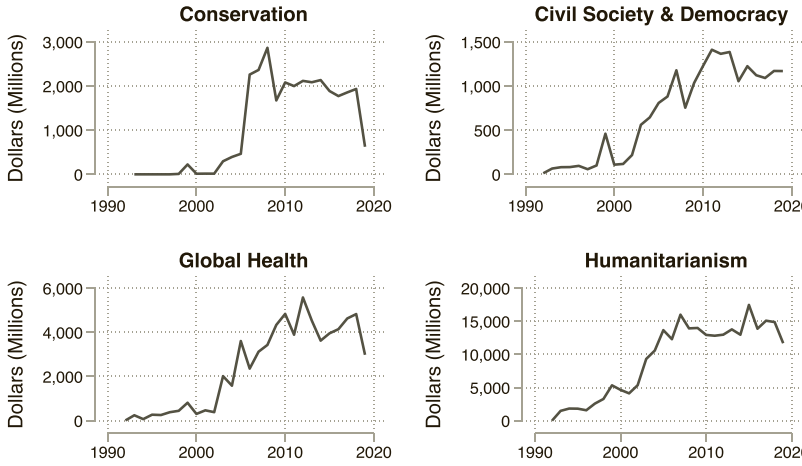


Figure 3.5 American INGO revenues by population, 1992–2019
Notes: Revenues are shown in millions of constant 2020 US dollars. The sources are the National Center for Charitable Statistics, Core Data PZ Files, and the US Inflation Calculator.

population according to their tax filings) reveals that there is little correspondence between foundings and revenues, with the potential exception of the humanitarian population, which experienced a leveling off in both around 2010. These trends provide some prima facie evidence that existing frameworks may be inadequate for explaining INGO foundings.

3.5 What Explains American INGO Foundings?

To test our argument, we create a measure of population density. As explained earlier, following other studies in the organizational ecology tradition,[54] we conceptualize density as the number of organizations in a given population. We therefore use the number of INGOs that were "alive" in a population in a given year (i.e., the number of organizations that have been recognized by the IRS but have not died).[55] Density is as large as 3,325 INGOs in the humanitarian population in 2018. To model the theorized curvilinear effect of density, we include a

[54] Carroll and Hannan (1989); Lecy and Slyke (2013).
[55] As discussed more later in the chapter an INGO's death occurs when it fails to file a tax return for at least three consecutive years and does not reenter the NCCS dataset.

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measure of the field's density as well as its square. We expect density to be positively related to foundings and density squared to be negatively related to them, consistent with the idea that density has a curvilinear effect.

We also gathered data to test alternative explanations of INGO foundings. First, we measured the financial resources available to INGOs in a population, using several strategies. Since US foreign aid is a major funding source for many organizations, our first indicator is US foreign economic assistance. We used the AidData coding scheme to identify the amount of aid in the previous year in each issue area.[56] This variable is logged to deal with skewness. As some INGOs are not eligible for or amenable to accepting government funding, as an alternative, we also use data on total US private giving to international charities, which is positively correlated with public funding.[57] Both measures were recorded in constant US dollars. While we acknowledge that financial resources are only one type of resource on which INGOs rely, INGO leaders in the United States have reported in surveys that they perceive funding concerns as the main obstacle to achieving their goals,[58] indicating this is a key dimension of the resource environment.

Second, we gathered data on issue attention in the previous year by sector. We used a sample of newspapers contained in Nexis Uni (formerly Lexis-Nexis Academic) and counted the number of references of keywords associated with each issue area.[59] This database includes English-language newspapers from throughout the world as well as foreign-language articles translated into English. We took the natural log of the number of references to address the problem of skewness and lagged the variable by one year. We also gathered data on policy attention using the natural log of the number of times the same keywords were mentioned in the previous year in the US Congress using the Congressional Record, Daily Edition.

Although the number of INGO foundings is, by definition, bounded by zero, we use ordinary least squares (OLS) regressions since there

[56] Tierney et al. (2011). Online Appendix §2 contains further details on how we identified foreign assistance for each issue area from AidData. See Bush and Hadden (2025a).
[57] Giving USA Foundation (2016).
[58] Mitchell and Schmitz (2014).
[59] Online Appendix §2 lists the search terms. See Bush and Hadden (2025a).

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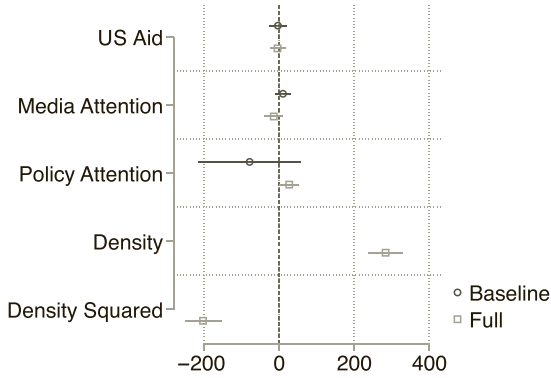


Figure 3.6 The correlates of American INGO foundings, 1992–2019
Notes: Based on OLS models that estimate the number of foundings in a given year. Ninety-five percent confidence intervals are shown. Standard errors are clustered by sector. $N = 112$. *US Aid*, *Media Attention*, and *Policy Attention* are logged. *Density* and *Density Squared* are standardized for visualization purposes. All explanatory variables are lagged by one year. Online appendix §3 reports these results in a table (Bush and Hadden, 2025a).

can be as many as 445 foundings per population-year. Our results are similar when we employ negative binomial models – an estimation technique used when the outcome variable is a count measure with overdispersion.[60] In all analyses, standard errors are clustered by population. For visualization, we standardized the density variables so that their mean values are 0 and their standard deviations are 1.

Figure 3.6 presents our main results. In our baseline model, which includes the variables identified in previous work, we use our lagged yearly issue area measures of US aid, media attention, and policy attention. Our full model includes our measures of density and density squared to test for the presence of the predicted inverted u-shaped relationship.

Figure 3.6 illustrates that the main explanatory variables employed in previous theory are generally not significantly related to INGO foundings in the baseline model. But adding our measures of density and density squared significantly improves the model fit. As

[60] Online Appendix §4.1 reports the results associated with this robustness check and the others described in this chapter. See Bush and Hadden (2025a).

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expected, our density variables have the expected curvilinear relationship with foundings. The estimated coefficients are positive and significant for density and negative and significant for density squared, which is consistent with our argument about the changing dynamics of competition over time. Although density is at first associated with more foundings ($p < 0.001$), that gain decreases as density increases and eventually becomes negative ($p = 0.001$). Important variables associated with the "demand-side" alternative explanations – such as US aid and media attention – are not significantly associated with INGO foundings, although the media attention variable comes near statistical significance ($p = 0.119$) in an unexpected negative direction in the full model. By contrast, policy attention to the issue area is positively and significantly correlated with foundings ($p = 0.050$) in the full model, consistent with previous theory.

One concern is that what we interpret as density dependence may be simply time dependence. In other words, the curvilinear relationship may be a natural consequence of population aging. To address this possibility, in additional models, we control for population age or the year since the founding of each issue area's first INGO. Since density and density squared retain the same signs and statistical significance in this model, and population age does not have a clear relationship with foundings, we suggest the patterns in our data reflect density dependence rather than time dependence. In other models, we introduce sector indicator variables, and our results regarding the curvilinear relationship between density and foundings remain robust.

Another concern is that the analysis does not directly demonstrate the effects of competition. We seek to provide evidence of this mechanism using our case study analysis, but we also explore it quantitatively by introducing a lagged indicator of annual sector concentration to the models as a robustness check. The indicator is the proportion of the population's total revenue held by the four largest INGOs.[61] We expect that as a population's concentration decreases, it will be more competitive. Contrary to our expectations, concentration is not significantly related to foundings, although it is signed in the expected positive direction. At the same time, the significant, curvilinear effect of density remains, suggesting that it may be the more important measure

[61] This is a common measure of concentration in markets which is used in economics and referred to as the "four-firm concentration ratio."

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of competition. As we explore in more detail in Chapter 4, a concentrated market may deter certain types of foundings (e.g., generalists) more than others (e.g., specialists) rather than having an effect on foundings writ large.

Our results regarding density are robust to other tests, as well. We begin with alternative measures of key concepts, including private charitable giving instead of US foreign aid.[62] To explore the possibility that the effect of density takes longer to appear given the duration of funding cycles, we also use longer lags (2–6 years) instead of our standard one-year lag for the explanatory variables. We next introduce additional controls, including the number of IGOs active in the issue area according to our coding of the YIO, INGO access to IGOs, an annual measure of the average level of democracy in the world, an indicator for Republican control of Congress, an indicator variable for the years after September 11, an annual measure of the average INGO's revenues, and an annual measure of the total number of INGOs in the world.[63] We also run our models with year indicator variables and clustering the standard errors on the population and year. Finally, we analyze the YIO data on American INGO foundings. Across all models, and unless otherwise noted, density and density squared are important predictors of foundings in the expected ways.

Overall, our analysis suggests that American INGO foundings are density dependent. Further, we find several intriguing relationships between foundings and the control variables. While policy attention is positively correlated with foundings in the full model, media attention and foreign aid are not. Still, these results should be interpreted with caution. We acknowledge that there are inferential challenges associated with relying on observational data in which many variables trend over time. In addition, the relationships between resources and foundings may be population specific. Thus, in the next section, we more closely examine this relationship using a case study that is designed to speak more directly to the posited causal mechanism – that INGO populations grow quickly at low levels of

[62] Giving USA Foundation (2016, 7).

[63] Data on INGO access to IGOs comes from Tallberg et al. (2013), data on democracy in the world comes from Teorell et al. (2016), data on INGO revenues comes from the NCCS, and data on IGOs active on the four issue areas and the total number of INGOs in the world comes from Union of International Associations (1953–2023).

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density due to mutual support, but slowly at higher levels of density due to competition.

3.6 Foundings of Civil Society and Democracy INGOs

For our case study, we focus on INGOs working in the area of civil society and democracy. This sector experienced a large influx of policy and media attention and financial resources starting in the early 2000s. At the same time, it exhibits a clear inverted-u curve in foundings (Figure 3.4). Because it is thus representative or typical of the general causal relationship suggested by the quantitative analysis, but puzzling from the perspective of alternative explanations, it is an appropriate case for further qualitative analysis.[64] If we do not find evidence of the hypothesized causal mechanism in this case, this absence would constitute strong evidence against our theory.

Prior work frequently portrays civil society and democracy promotion INGOs as competitive.[65] The issue area has several features that might encourage competition. For example, it has a relatively large number of INGOs compared to conservation INGOs (which we consider in Chapter 5) and relies heavily on US government funding. Because many American INGOs working on civil society and democracy must bid for the same federal funding, we might expect them to view each other as competitors. Given these conditions, it is difficult for existing theory to explain the organizational cooperation and mutual support during the field's early years, which we will document here.

Our case study analyzes published primary and secondary sources including academic research, books and memoirs published by practitioners, published interviews, INGO publications (e.g., annual reports and websites), and news sources. We also interviewed seven representatives from INGOs founded in different periods and asked about their creation and subsequent evolution. In many cases, we were able to speak directly with the founder, which gave us great insight into this process.[66] In addition, we consulted notes from more than

[64] Lieberman (2005); Seawright and Gerring (2008).
[65] Henderson (2002); Mendelson and Glenn (2002); Brown (2006, 2009); Bush (2015).
[66] The Appendix details our interview methods.

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100 interviews conducted for a previous project on civil society and democracy NGOs.[67]

3.6.1 A Brief History of Democracy Promotion

Democracy promotion refers to efforts to support democratization in other countries, which includes helping countries transition to democracy as well as efforts to help consolidate democracy in previously transitioned states. The primary actors in democracy promotion are states and IGOs. The United States is a leader but by no means the only country that has made advancing democracy abroad part of its foreign policy.[68,69] States use a variety of tools to promote democracy, including military intervention to support regime change, conditional foreign assistance, diplomatic shaming, and direct assistance.[70] Regional organizations including the European Union and Organization of American States are key actors in this area; they heavily employ membership conditionality.[71]

INGOs also play a key role in democracy promotion. Their activities primarily involve implementation of democracy assistance programs funded by the United States and others. For instance, INGOs may directly support domestic NGOs in nondemocratic or recently transitioned countries, sponsor election observers, advise public officials on reform measures, or provide legal aid. Such programs take place in more than 100 countries each year.[72] Donor states and IGOs often prefer to work through INGOs, rather than directly aiding domestic NGOs in other countries, for a variety of reasons. Among these reasons, INGOs can transmit specialized knowledge, may have better capacity and financial reporting practices, and enjoy closer relationships with funders.[73]

[67] Bush (2015).
[68] Although the United States is a key state player in democracy promotion, it is not the only one. For example, supporting democracy within Europe and in its neighborhood is an important aspect of European integration.
[69] Börzel and Risse (2009).
[70] Carothers (1999).
[71] Donno (2013).
[72] Bush (2015, 8).
[73] Bush (2016).

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Democracy promotion has a long (if troubled) tradition in US foreign policy.[74] However, unlike some other tools of democracy promotion (such as military intervention), democracy *assistance* is relatively new. Most date its formal beginning to 1983, when President Ronald Reagan created the National Endowment for Democracy (NED), a quasi-private foundation that receives money from Congress to promote democracy via grants to INGOs and NGOs. Four American INGOs were founded around the same time as the NED – the Center for International Private Enterprise, Free Trade Union Institute, International Republican Institute (IRI), and National Democratic Institute (NDI). These organizations were created to represent the interests of business, unions, and the Republican and Democratic parties in aiding democracy abroad.[75] These groups both regrant funding to other organizations (both INGOs and domestic NGOs in other countries) and also conduct their own direct programs. These core INGOs, and others founded in the 1980s like the Carter Center (founded in 1982) and International Foundation for Electoral Systems (IFES, founded in 1987), continue to be central players in the sector.

As we discuss in the next section, American funding for civil society and democracy dramatically increased in the years following the creation of the NED as part of a growing emphasis on democracy assistance in US foreign policy. This period of growth in democracy assistance coincided with growth in the INGO sector in the United States. In addition to new INGOs being founded, some existing INGOs that were historically focused on other issues developed competencies related to civil society and democracy in order to take advantage of the new opportunities.

3.6.2 The Resource Environment

Our analysis reveals a substantial increase in the resources available to civil society and democracy INGOs, especially in the 2000s (see Figure 3.5). This surge in funding was accompanied by an uptick in policy attention. The field first expanded at the end of the Cold War, when many democratizing states sought out foreign assistance

[74] Bouchet (2013).
[75] Although these INGOs depend heavily on government funding, they are all legally independent from it.

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to help with their transitions. In response, the United States Agency for International Development (USAID) announced a new "democracy initiative." Between 1993 and 1999, USAID administrator J. Brian Atwood – previously the founding president of NDI – worked to mainstream democracy promotion.[76] Under his guidance, funding expanded and became institutionalized.

Government funding continued to rise in the 2000s, especially with President George W. Bush's "freedom agenda." Whereas democracy assistance represented around 8 percent of USAID's budget in 1990, it was roughly 16 percent in 2009.[77] Although the largest funder of US democracy assistance INGOs was (and still is) the US government, other governments and IGOs also made significant investments. Across the field, annual funding rose from under $1 billion in the late 1980s to over $10 billion in 2015.[78] Private foundations play a role, too – particularly the Open Society Foundations (created by George Soros).[79]

Stagnation in American INGO foundings in this population occurred at the same time that democracy promotion was at the heart of President Bush's foreign policy. For example, Bush declared in a speech to the American Enterprise Institute in 2003 that "the world has a clear interest in the spread of democratic values,"[80] and forcefully reiterated this theme in his second inaugural address in January 2005.[81] IGOs' democracy promotion activity also increased during this period, for example with the formation of the United Nations (UN) Democracy Caucus in 2004 and the UN Democracy Fund in 2005. The peak year of American INGO foundings in democracy assistance was 2002, when sixty four new organizations were created. By 2005, the number of new INGO foundings had plummeted to eight. Organizational ecology helps us understand why this era of significant funding

[76] Bush (2015, 126–127).
[77] Ibid (7).
[78] Carothers (2015, 60).
[79] Carothers (1996).
[80] "President Discusses the Future of Iraq," February 26, 2003. Available at https://georgewbush-whitehouse.archives.gov/news/releases/2003/02/20030226-11.html (last accessed May 5, 2017).
[81] "President Sworn-In to Second Term, January 20, 2005." Available at https://georgewbush-whitehouse.archives.gov/news/releases/2005/01/20050120-1.html (last accessed May 5, 2017).

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and media, policy, and IGO attention was accompanied by relatively low INGO growth.

3.6.3 Early Increases in Density Encouraged Foundings

We have already established that the curvilinear pattern of American INGO foundings in the civil society and democracy population is consistent with our theory. It is also less easily explained with a straightforward political economy approach, given that the decrease in foundings coincided with a massive expansion of financial resources in the United States. Yet can we attribute this pattern in foundings to a shift from mutual support to competition?

The early years of democracy assistance often did involve cooperation among INGOs, even though they were competing to secure US government funding. For example, IFES, IRI, and NDI came together to create the Consortium for Elections and Political Process Strengthening (CEPPS) in 1995. The CEPPS was designed as a USAID funding mechanism that would give participating organizations privileged access to democracy assistance, solidifying them as the "core" actors in the field.[82]

Although large INGOs dominated the scene, entrepreneurs still saw opportunities. Anticipating dynamics that we study with respect to specialization in Chapter 4, new INGOs often occupied niches left open by older organizations, such as those involved with CEPPS. For example, Barbara Ferris decided to found the International Women's Democracy Center in 1995 after visiting multiple transitioning democracies with the Peace Corps and hearing from women that they wanted to learn how to run for office. Her approach was to work with other organizations; she explained, "There's only a limited number of dollars in the field, guys, so we need to work with others to get things done."[83] Similarly, Wendy Luers created Charter 77 New York to support the Charter 77 civic initiative in Communist Czechoslovakia. At first, it cooperated with related organizations working on similar issues, even

[82] Interview, former NDI executive, by telephone, September 28, 2016.
[83] Interview, Barbara Ferris, Founder, International Women's Democracy Center, by telephone, October 4, 2016.

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sharing office space with the Soros Foundations.[84] During this period, INGOs worked together to build the field's profile. The NED sponsored the International Forum for Democratic Studies and founded the *Journal of Democracy* to support research related to democracy assistance. One group of INGOs created the World Movement for Democracy, a periodic international conference, and another forged the ACE Network, a resource hub on electoral assistance. Although many INGOs performed similar (and sometimes identical) functions – for example, multiple groups monitored the same country's elections using equivalent techniques[85] – if anything, this seemed to increase demand for their services. New graduate degree programs related to democracy assistance were created, such as the Democracy and Governance Program at Georgetown University; INGO leaders served as adjunct faculty, which enhanced the sector's professionalism and reflected the tendency toward mutual support.

3.6.4 Later Increases in Density Discouraged Foundings

Yet competition among INGOs gradually escalated, despite increased funding overall. Given mechanisms such as CEPPS, the nature of competition was not that of an open market. Nevertheless, several studies on the topic from the late 1990s and early 2000s emphasized that INGOs during the time period were competing over donor funding.[86] Sarah Bush quantified the increase in funding competition by establishing that large INGOs' share of NED grants decreased from 90 percent in 1985 to 50 percent in 2009, at the same time as the average grant size shrank by more than two-thirds.[87] Funding rates in democracy assistance are difficult to obtain, but the proportion of grant applications that are funded was reported as lower than 20 percent in 2013, suggesting the extent of resource competition among INGOs is significant.[88]

[84] Interview, Wendy Luers, Founder, Foundation for Culture and Society, by telephone, September 23, 2016.
[85] Kelley (2009).
[86] Henderson (2002); Mendelson and Glenn (2002); Brown (2006, 2009).
[87] Bush (2015, 116–117).
[88] Rebekah Usatin, "Evaluation of Democracy Assistance Grantmaking," Presentation at the University of Pennsylvania, May 1, 2013.

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Given these changes, civil society and democracy INGOs employed many strategies in an attempt to survive. Our interviews indicate that these strategies included asking friends in the US government to pressure USAID to fund their INGO; winning contracts to evaluate other INGOs' programs and then being highly critical; fighting to win the allegiance of the best local partners; and applying for many available grants and contracts, even for work in countries or on issues in which the INGO lacked experience. According to one analysis, INGOs tended to "pursue short-term gains rather than collective long-term development," an organizational tendency characterized as "pathologi[cal]" from the perspective of advancing democracy.[89]

Entrepreneurs that founded INGOs during this competitive period acknowledge how density shaped their decisions. For example, James Apple founded the International Judicial Academy (IJA) to train judges overseas. IJA was supported by a combination of tuition fees, private and public grants, and individual contributions. Yet according to Apple, "as more and more organizations got involved in this work, it became increasingly difficult for the Academy to obtain funds for its programs."[90] One funder was the JEHT Foundation that collapsed in 2008 after fraudulent investment advisor Bernard Madoff lost most of its endowment. In response to fundraising difficulties, the IJA merged with another INGO, the International Law Institute. When asked what advice he would give to someone thinking of starting an INGO in 2016, Apple replied: "Based on my experiences, funding is very difficult. Unless you're in a position to attract large grants from the U.S. government, it's very difficult … So that's my advice: you have to go into it with your eyes open."[91] Although some of the "have nots" in democracy assistance tried to challenge CEPPS members in 2015 through the Advancing Democratic Elections and Political Transitions consortium, the initiative stalled. As one person knowledgeable about

[89] Henderson (2002, 143).

[90] Interview, James Apple, Founder, International Judicial Academy, by telephone, October 19, 2016.

[91] Ibid. To be clear, he was referring to the challenges associated with the emergence of other American INGOs, such as the American Bar Association Rule of Law Initiative, not the emergence of homegrown democracy assistance INGOs from countries that were once the targets of democracy assistance.

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the process explained, "it's not necessarily a cozy relationship because these organizations all compete with each other."[92]

As growth stagnated, older INGOs turned on what has been described as "strategic autopilot."[93] By the 2000s, INGOs founded in the 1980s were larger and more bureaucratic. Reflecting on NDI in 2010, one former long-time staff member commented, "By the mid-1990s, things had started to change – [NDI] started to become bureaucratized."[94] Another colleague concurred during an interview in 2010:

> NDI has become institutionalized. It became a permanent player in Washington at very high levels, and it wasn't obvious that it would become that when it started . . . Now people enjoy the work, but you see yourself as a permanent fixture in a country's hopefully long-term liberalization. Both NDI and IRI have leaders that have been there for a while.[95]

Of course, this shift was not unique to NDI or IRI. An interviewee who worked at a different organization noted a similar dynamic: "There is that sort of bureaucratization where people have a stake in a particular approach without taking into account the political context."[96]

In sum, evidence from the field of democracy assistance supports the hypothesized causal mechanism. In the early era of the population – from roughly 1983 to 2000 – INGOs demonstrated a willingness to cooperate and establish institutions that would contribute to the field's legitimacy. But later – since roughly 2000 – the field became denser and more competitive. We therefore conclude that evidence from democracy assistance supports our density dependence argument.

3.7 Density and Organizational Mortality

Before concluding the chapter, we also consider the relationship between density and American INGO deaths. Here, we extend our theoretical framework for studying organizational foundings to help

[92] Interview, former NDI executive, by telephone, September 28, 2016.
[93] Carothers (2015, 64).
[94] Interview, former NDI executive, by telephone, June 4, 2010.
[95] Interview, former NDI executive, in person, May 26, 2010.
[96] Interview, former democracy assistance donor, in person, May 4, 2010.

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understand variation in organizational mortality. Organization ecology suggests that density will have a curvilinear effect on INGO death, in much the same way that it does on INGO foundings. The direction of the relationship, however, will be reversed: The probability of mortality will first *decline* and then eventually *increase* with density.

Organizational mortality is worth studying not only as a further extension of our theory but also given its real-world importance. An INGO's survival is usually key to achieving its social mission and, to a large extent, is an end in and of itself for the organization and its staff. In principle, an INGO ceasing to exist could be viewed as a sign of good performance: The organization has achieved its goals and is no longer needed. However, very few practitioners have closed down their organization for this reason. Instead, organizational death is usually a sign that the organization has been unable to secure funding and the other resources needed to continue its work, failing to survive in its environment.

3.7.1 How Density Affects INGO Deaths

At very low levels of density, we expect organizations to be relatively vulnerable to failure due to the newness of the organizational form. As discussed with respect to how density affects foundings, the early era of an organizational population is characterized by less legitimacy, mutual support from other organizations, and overall acceptance of the organizational form. These dynamics contribute to a relatively high probability of organizational death. The likelihood of mortality will decline over time as density increases and the population becomes better established. Yet once populations start to become quite dense, increases in density will introduce so much competition that organizations will be more likely to die. This dynamic contributes to the theorized curvilinear relationship between density and organizational death.

This theoretical perspective complements other recent analyses of organizational death in global governance. After a long tradition of studying IGO founding, scholars of global governance such as Julia C. Gray have more recently explored when (and how) organizations die or otherwise fall into disuse.[97] This research has

[97] Gray (2018); Eilstrup-Sangiovanni (2020, 2021); Debre and Dijkstra (2021).

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identified several predictors of organizational death. For instance, Mette Eilstrup-Sangiovanni highlights the importance of major political and economic shocks to the international system (e.g., world wars) for IGO mortality.[98] Such events may similarly have a significant impact on INGO deaths.

Researchers have also focused on the individual organizational characteristics that make groups more likely to survive. Certain types of IGOs – smaller ones, ones with narrow missions, and those lacking bureaucratic autonomy – tend to be more vulnerable to death, perhaps because they are less able to adapt to changing circumstances. Some of the same characteristics may also apply to INGOs, as we expect larger organizations to be better able to deal with environmental challenges. In addition, past studies of nonprofit failure have determined that characteristics such as age and funding profiles are predictors of closure.[99]

3.7.2 Measuring INGO Deaths

We use the NCCS data discussed earlier to test these theoretical expectations. We again focus on organizations in the conservation, civil society and democracy, global health, and humanitarian populations to parallel the structure of our earlier analysis.

Organizations do not formally register their mortality with the IRS in the way they do their founding when they register for tax-exempt status. A common benchmark of organizational mortality for American nonprofits is when an organization fails to file taxes at least three years in a row. Although it is not unusual for an organization to fail to file a tax return due to disorganization or capacity issues, after three years of non-filing, an organization loses its tax-exempt status with the IRS, making this an appropriate cut-off for organizational death.[100] Because we identify organizations as having died if they fail to file tax returns for three consecutive years and never reenter our dataset, we exclude the most recent years of NCCS data from our analysis, since

[98] Eilstrup-Sangiovanni (2021).
[99] Hager, Galaskiewicz, and Larson (2004).
[100] See IRS, "Exempt Organizations Annual Reporting Requirements – Filing Procedures: Late Filing of Annual Returns." Available at www.irs.gov/charities-non-profits/exempt-organizations-annual-reporting-requirements-filing-procedures-late-filing-of-annual-returns (last accessed October 24, 2022).

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we cannot be certain whether organizations that failed to file returns in those years ultimately died.

Using this approach, INGO death is quite common in the NCCS data: About 9 percent of organizations in our dataset die in a given year (a significantly higher exit rate than that of American nonprofits in general), and 45 percent of the American INGOs in our dataset die eventually.[101] This annual mortality rate is more equivalent to the rate of death among IGOs in an entire *decade* according to calculations by Eilstrup-Sangiovanni.[102] Given the high start-up costs of negotiating a new IGO highlighted by classic theories of international cooperation,[103] this comparison is unsurprising. Moreover, the relatively high threat of organizational mortality is consistent with INGO entrepreneurs' need to think carefully about when to enter the market and how best to position their organizations to succeed in a population that may be crowded or otherwise starved of resources.

An important caveat for this discussion is that the NCCS data does not track whether an organization has entirely disbanded or has instead stopped filing tax returns because it has merged with or been acquired by another organization.[104] However, mergers and acquisitions are uncommon among INGOs and are rarely pursued to enhance "efficiency and effectiveness"; they are usually considered "as a response to crisis or to external pressures."[105] We would therefore expect the factors that predict mergers to be largely similar to those that lead to true organizational death.

3.7.3 Results

Our empirical strategy involves estimating the likelihood that an organization will fail in a given year using linear probability models (or OLS regressions with binary instead of continuous outcome variables).[106] Our regressions use standard errors clustered by the INGO population. As before, we standardize the density variables so that

[101] Harrison and Laincz (2008, 4).
[102] Eilstrup-Sangiovanni (2020, 353).
[103] For example, Keohane (1984).
[104] Other possibilities are that the organization continues to exist but is no longer based in the United States or is no longer tax exempt. In these cases, however, we would consider the organization to no longer exist as an American INGO.
[105] Mitchell, Schmitz, and van Vijfeijken (2020, 212).
[106] Our results are similar when we instead use logistic regressions.

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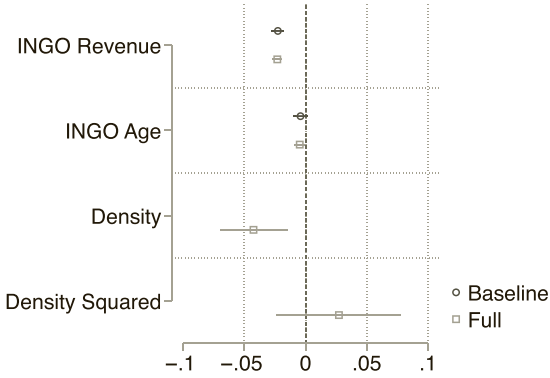


Figure 3.7 The correlates of American INGO deaths, 1992–2016
Notes: Based on linear probability models with an outcome of INGO death in a given year. Ninety-five percent confidence intervals are shown. Standard errors are clustered by sector. N = 24,078. *INGO Revenue* is logged. *Density* and *Density Squared* are lagged by one year. *Density*, *Density Squared*, and *INGO Age* are standardized for visualization purposes. Year indicator variables are included in both models but not displayed. Online Appendix §3 reports these results in a table (Bush and Hadden, 2025a).

they have means of 0 and standard deviations of 1 for visualization purposes. Figure 3.7 displays the results.

The baseline model includes two organizational-level factors that previous research suggests may shape the likelihood of organizational survival and death: The organization's size (measured in terms of its revenues and then logged due to skewness) and age (measured in years and then standardized for visualization), both of which we expect to be negatively correlated with mortality. It also includes indicator variables for each year. As expected, wealthier and older organizations are significantly less likely to die in a given year. To capture the hypothesized curvilinear relationship between INGO death and density, we introduce variables capturing density and density squared in the full model. Here, we see evidence of the hypothesized u-shaped relationship between density and organizational mortality. Both variables are signed in the expected directions, although the density-squared variable is not statistically significant at conventional levels ($p = 0.011$ for density and $p = 0.177$ for density squared). Overall, the picture is that American INGO deaths are density dependent as predicted by our theory.

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3.8 Conclusion

This chapter employs a combination of quantitative and qualitative methods to demonstrate that American INGO foundings and deaths are density dependent: They are affected by how crowded the sector is at a given point in time. The findings also suggest that the extent to which INGO relations in a particular population are characterized more by cooperation or competition depends on density, and that new INGO entrepreneurs may be crowded out by excessive competition. Although we focus on the population of INGOs based in the United States – for which we have exceptionally good data – our theoretical perspective likely applies to INGOs based in other countries.

Our approach helps reconcile previously conflicting findings in the literature on INGOs. Early studies suggested that cooperation was common, but later ones emphasized competition. Although we remain agnostic about the normative implications of increased competition – which can drive efficiency as well as less desirable behavior – these changes in actor relations should be more widely appreciated. Although reforms to contracting environments as suggested by Cooley and Ron may help minimize the problems associated with INGO competition,[107] we suspect that particular contracting environments are neither necessary nor sufficient for INGO cooperation in highly dense populations. We discuss our recommendations for funders in Chapter 6.

The stagnation in INGO foundings that we document may provide openings for new populations of actors, although in some cases individuals who might have founded an INGO in a less-dense period may not be pursuing careers in social change.[108] For example, the TOMS example suggests that would-be founders have been inspired to create new kinds of organizations, including public benefit B-Corps, to achieve their social goals outside the realm of INGO activity. As INGO populations age, they may become more bureaucratic and less innovative, further strengthening the appeal of these challengers.[109] Since a rise of organizational challengers to INGOs may have important implications for global governance, Chapter 6 further explores these dynamics.

[107] Cooley and Ron (2002).
[108] Abbott, Green, and Keohane (2016).
[109] Bush (2015).

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