

### **Chapter 3 Functions, philosophies and structure of the nonprofit sector**

Society is divided in three main sectors: governmental, corporative and civil society. Civil society can be defined as a system of organizations formed by citizens that have the objective of improving their social conditions. Nonprofit organizations are the basis of civil society. They engage in activities of charity and social assistance to compensate unsatisfactory or unfulfilled government plans and initiatives.

The nonprofit sector gives citizens the power to change their communities by doing activities of social development that include health and education campaigns, environmental protection and support to the arts and entertainment.

The international organization of student journalists proposed in this thesis will work as a nonprofit organization. To design an accurate nonprofit organization project it is necessary to understand the functions and structure of the nonprofit sector as well as its role in society.

This chapter explains the concepts of citizenship, philanthropy and humanitarianism as the basis of the nonprofit sector. Then, it presents definitions of the nonprofit sector from economical, political, legal and social perspectives. Also, it explains its basic values, functions and legal distinctions. It describes the structure of a nonprofit organization: its governance, mission, objectives and communication activities.

#### **3.1 Defining the nonprofit sector**

The nonprofit sector is born within the forms of organization of the civil society. The civil society represents the public sector "distinct from government and business" (Civil Society, 2008, ¶ 2).

Civil Society International provides a definition of 'civil society': "the so-called 'intermediary institutions' such as professional associations, religious groups, labor unions, citizen advocacy organizations, that give voice to various sectors of society and enrich public participation in democracies" (Civil Society, 2008, ¶ 2).

The study of the history of the nonprofit sector has confronted several issues. Robbins (2006) explains, "The actors, values, and institutions driving the formation of the nonprofit sector have a long and neglected history" (Powell & Steinberg, 2006, p. 13).

Salamon & Anheier (1997) explain:

Although the existence of such a "third sector" (public) with its own characteristic features and dynamics is increasingly coming to be accepted among a growing band of international scholars, nonprofit leaders, and international agency officials, its existence remains at best a debatable proposition to the general public and much of the rest of the academic community (p. 2).

Salamon & Anheier (1997) identify two factors that have impeded researchers to identify the origin and development of the nonprofit sector.

The first factor is the great diversity of what can be considered a nonprofit organization: "from tiny soup kitchens to symphony orchestras, from garden clubs to environmental groups. [A] set of organizations with this much diversity can be considered a sector with significant common features is difficult for many to comprehend" (Salamon & Anheier, 1997, p.2).

The second factor is that most historians have studied events from the perspectives of the state and market sectors. Salamon & Anheier (1997) explain, "[i]mmense institutional complexes"; capitalism, socialism, liberalism "depict alternative patterns" for organizing the market and the state (p.2). The nonprofit sector pales in comparison with the roles of these institutions and thus, didn't catch the attention of scholars and intellectuals....[This sector] tended to be ignored in many countries" (Salamon & Anheier, 1997, p.2).

The study of the nonprofit sector is necessary to understand modern life (Robbins, 2006; Salomon & Anheier, 1997). Researchers must recognize "the existence of a third sector (public) that is neither state nor market" with its own characteristics (Salamon & Anheier, 1997, p.2; Powell & Steinberg, 2006, 13-29).

### **3.1a Philosophies behind the nonprofit sector**

The nonprofit sector was born from civil society that originated from of the desire of people to change their surroundings and to participate in activities of their community. This part explains how the

values of the citizenship, philanthropy and the humanitarianism established the basis of civil society.

### **Citizenship as the basis of the nonprofit sector**

The nonprofit sector resulted from the development of associations in the democratic system. People form associations to achieve a common goal. Members of associations, regardless of their joint purposes, must organize and delegates responsibilities (Powell & Steinberg, 2006; Salamon & Anheier, 1997).

In this case, nonprofits are charitable associations that aim to social welfare and are usually formed by a board of directors that delegates responsibilities to volunteers or staff members (Powell & Steinberg, 2006; Salamon & Anheier, 1997). All forms of associations, from fan clubs to political parties, "are sites for the cultivation of democratic values and skills"; therefore, they are the foundation of democratic societies" (Clemens in Powell & Steinberg, 2006).

Clemens explains, "Much interest of political theory in associations and nonprofit organizations stems from the presumption that associations are, or should be, embodiments of the constitutional forms, organizational skills, and political virtues required by liberal democracy" (Powell & Steinberg, 2006 p. 208).

De Tocqueville (1904) believed the structure, activities and dynamics in associations both formal and informal created bonds among citizens and trained them for democratic participation.

De Tocqueville (1904) stated:

The science of association is the mother of science; the progress of all the rest depends upon the progress it has made. If men are to remain civilized, or to become so, the art of associating together must grow and improve in the same ratio in which equality of conditions is increased (p. 598).

Frumkin (2002) explains, "Associational activities are constitutive of citizens as actors, of preferences and interests, and of the capacity to make effective demands on government" (as cited in

Clemens in Powell & Steinberg, 2006, p.207).

Nonprofits are created by the initiative of citizens to address social issues that affect or concern them. They act as supporters of the state or private sectors, rather than to be dependent on them to address issues. To achieve their goals and assure organizational success, nonprofit members must assume and exercise their citizenship duties and rights, such as social leadership and political participation (Powell & Steinberg, 2006; Salamon & Anheier, 1997).

Clemens explains, "If a majority desires some form of social provision, those preferences will support government provision of services. In cases where a minority desires a service, nonprofit organizations represent an alternative vehicle for provisions" (Powell & Steinberg, 2006, p.214).

### **Philanthropy and Humanitarianism as values of nonprofits**

The intrinsic human desire to help others is the bedrock of nonprofit organizations. Communities in Ancient Greece organized the first charitable activities. The development of charity activities and the adoption of ethical duties in civilizations throughout history led to the conceptualization of philanthropy and Humanitarianism.

Huntington (1892) states, "The 'service of humanity' is set forward as a substitute for adherence to creeds and dogmas and formularies of devotion, or the development of ethical systems. 'Conduct is three-fourths of life,' it is said, 'and conduct has to with people about us'" (p. 40).

Philanthropy (from Latin *philos*, love, and *anthropos*, people) can be defined as the effort of promoting human welfare.

Huntington (1892) explains that philanthropic actions have the ultimate goal of social emancipation:

[P]hilanthropy, even in its vaguest and most popular meaning, has for its end social progress, the continual development and self-realization of society. But the development of society involves the development of individuals that make up

society, and requires that these individuals become more clearly conscious of the relations that bind them together, and should voluntarily correspond with those relations (p. 40-41).

As social systems grew in number and complexity, so did segregation, social subordination and class struggles. Humanitarianism is both a philosophy and a practice of the pursuit of common welfare or social good (Powell & Steinberg, 2006; Carlton, 1906). Its practical concept was developed by ruling classes that helped the proletariat in their struggle for better conditions, while its philosophical definition came from intellectuals sympathetic to the "lower classes" and concerned about their issues (Powell & Steinberg, 2006; Carlton, 1906).

Carlton (1906) stated:

Humanitarianism is the natural fruit condition of social flux and unrest. It arises in a complex society when the lower classes are struggling for better conditions: and when older dominating interests are being thrust aside by new rivals...it appears if the ruling classes became enthused with the spirit of self-sacrifice, adulterated with a considerable element of fear....Le Bon would attribute all such phenomena to a "contagion" of the beliefs and hopes of the working classes to the class of educated and broadminded men who are ever the leaders in humanitarian movements (p. 48).

Communication technologies have increased and intensified interactions among nations worldwide. Parmalee (1915) explains that because of this interaction, modern humanitarianism assumed an international approach:

The increasing interdependence of the different parts of the world made it more and more evident to individuals and to social groups that it was to their interest to concern themselves with the welfare of others. Furthermore, the knowledge

acquired with regard to other individuals and social groups through the means of communication...ha[ve] stimulated the sympathetic imagination to a high degree. These ideas and this knowledge have naturally tended...to stimulate the humane feelings and impulses in the relations of men and social groups and to inhibit the cruel feelings and impulses. Thus, these fundamental human traits...are being influenced by the intelligence, under the social conditions which have evolved...in the direction of humanitarianism (p. 354).

The concept of global or cross-national humanitarianism will be fundamental in the creation of the values of an international society of student journalists. As it is explained in the description of the project design, this nonprofit will be based on the reciprocal aid and support of student journalists worldwide.

### **3.1b Definitions of nonprofit organizations**

Nonprofit organizations can be defined as associations of individuals that pursue a common purpose not related to lucre. The ultimate goals of nonprofits are usually social welfare, philanthropy and humanitarianism. However, as it will be explained later in this chapter, the nonprofit sector is so vast that not all nonprofits aim their efforts to charity.

Dobkin (1987) explains people associate in nonprofit organizations for three purposes:

...to perform public tasks that have been delegated to them by state, to perform public tasks for which there is demand that neither the state nor the for-profit organizations are willing to fulfill, or to influence the direction of policy in the state, the for-profit sector, or other nonprofit organizations (Powell, 1987, p. 3).

In a social sense, nonprofits are created to "serve undeserved or neglected populations, to expand freedom of or to empower people, to engage in advocacy for social change, and to provide services" (McCarthy, Hodgkinson and Sumariwalla, 1992:3 in Salamon, Anheier, 1997, p. 32).

Salamon & Anheier (2006) explain:

The nonprofit sector and the wide civil society of which is part, has come to be seen both as a force for social control and as a base for social empowerment, an arena where 'power relationships' not only are reproduced but also challenged [and] where the possibilities and hopes for change reside' (Howell & Pearce, 2001, p.3 as cited in Powell and Steinberg, 2006, p. 109).

The political role of the nonprofit sector can be defined as the attendance of social problems that governments and corporations have failed to resolve or have left behind. The nonprofit sector acts as a "mute vehicle for meeting social demands" (Salomon and Anheier in Powell and Steinberg, 2006, p. 109).

An alternative concept suggests that they represent an "expression of purely altruistic impulses, the reflection of broader power relationships among social classes and social institutions" (Salomon and Anheier in Powell and Steinberg, 2006, p. 109).

Dobkin (1987) explains:

Ideologically, the nonprofit organization and its supporters see the will of the state as the collective will of the individuals who compose it. Politically, this view that sovereignty resides in the people is expressed institutionally in such legislative forms as grants of incorporation, tax exceptions, and tax regulations providing incentives to individuals to make donations to nonprofit organizations; it is expressed through such juridical devices as the creation of equity jurisdiction, which facilitates private collective action by permitting the allocation and administration property for future purposes....The nonprofit sector is, then, a distinctive product of democracy and capitalism (Powell, 1987, p.3).

The U.N. System of National Accounts provides an economical definition of nonprofits: "organizations that receive half or more of their income from households on a contributory basis are considered to be 'nonprofit organizations serving house holds' in the U.N. system (U.N. Statistics, 2008; Salamon, Anheier, 1997, p. 30).

Donations are the main income of nonprofits and they are usually invested in the organization's campaigns or activities. Because these incomes are aimed to charitable causes, donations receive tax exemptions in most countries (Powell & Steinberg, 2006, p.3; McNamara, 2008b, ¶ 20). Legal distinctions and requirements will be explained later in this chapter.

### **3.2 Functions of the nonprofit sector**

Nonprofit organizations have several social, political and economic functions. This thesis focuses on five functions: negotiating boundaries between government, corporations and the public sectors, compensating government failures, collaborating with corporations, and engaging commercial activities.

#### **3.2a Negotiating boundaries**

Prewitt (2006) explains, "Much of public policy and law involves negotiating what occurs at the borders separating [public, private and government] sectors" (Powell and Steinberg, 2006, p. 356).

The importance of the nonprofit sector in society relies mainly in its intermediary role between civil society and the state and market sectors. Besides, addressing social issues independently, nonprofits work to involve the three sectors in these issues and urge them to do their part in their resolution (Prewitt in Powell and Steinberg, 2006; Powell and Steinberg, 2006).

Government agencies collaborate with nonprofits to examine and resolve political, social, economical and environmental issues.

For example, the U.S. Environmental Protection Agency collaborates with national and local nonprofits to address "a wide variety of environmental issues;" from waste management and climate change to product labeling and sustainable technology (EPA, 2008, ¶ 1-2).

Besides collaborative projects, nonprofits advocating Human Rights, for example, usually demand repressive governments to respect human rights of their citizens and also demand non-repressive governments to stop human right violations in other countries.

During the 2008 Fall Olympics, held in Beijing, Reporters Without Borders send a petition to the Chinese government to free journalists incarcerated under charges of 'subversion and conspiracy,' as

the suppression of press freedom contradicted the spirit of the Olympic celebration. At the same time, Reporters Without Borders demanded American and European governments and the International Olympic Committee to recognize and address the Chinese Government's repressive actions (RSF, 2008e).

Nonprofit organizations also negotiate with the market sector to achieve their mission.

After learning the Chinese government implemented a filtering system on Internet search browsers to avoid people finding 'controversial' information, Human Rights Watch urged Internet corporations such as Yahoo! and Google not to collaborate with the government and to “continue to resist...censorship pressure as a violation of internationally recognized rights of free expression” (HRW, 2002, par. 1).

Just like government agencies, corporations create joint programs with nonprofits. However, the private sector main collaboration with nonprofits relies on donations and financial support (Prewitt in Powell and Steinberg, 2006; Galaskiewicz & Coleman in Powell and Steinberg, 2006).

Nonprofits and corporations have a reciprocal relationship. While nonprofits need the powerful resources of corporations to address issues, corporations need nonprofits to engage in charitable and socially responsible activities demanded by the people's court or sometimes by the government (Prewitt in Powell and Steinberg, 2006; Galaskiewicz & Coleman, 2006; Powell and Steinberg, 2006). This relationship will be explained later in this chapter.

### **3.2b Compensating failures**

The need of nonprofit organizations originates from the demands of the public that the government has not addressed properly or has simply ignored. One major challenge governments confront is the diversity of opinions in a society, which “lead to unsatisfied demands for collective good” (Steinberg in Powell & Steinberg, 2006, p.122).

Steinberg explains, “Whatever the form of government, one result pervades—some citizens will be dissatisfied with the level quality, or style of collective goods provided publicly” (Powell & Steinberg, 2006, p. 122).

The actions of nonprofit organizations compensate government failures caused by three factors: corruption, control limitation of public services and legal restrictions.

Hamann (2003) explains:

Corruption undermines the institutional foundation on which economic growth depends. Corruption lowers the quality of public services and infrastructure, distorts government spending decisions, decreases tax and customs revenues, and damages confidence in the rule of law. Corruption tears at the fabric of democracy itself (§ 20, 21).

Failure to prevent or stop corruption is usually caused by governments' limitation to detect power abuse and omissions of policy and procedure fulfillment in both their organizational branches and private organizations (Steinberg in Powell & Steinberg, 2006; Mauro, 2008).

Steinberg (2006) explains, "Government cannot regulate abuses it cannot detect." Government is usually impotent toward contract failures with for-profit service and product providers. This problem affects accurate regulations of for-profit organizations and "sales to the government as when government contracts [them] to provide social services" (Powell & Steinberg, 2006, p.123).

Laws and constitutional restrictions impede governments to satisfy the social demands. Steinberg (2006) explains "Government is self-imposed through constitutional restrictions on government action" (Powell & Steinberg, 2006, p.122).

Since constitutions are formed by a particular set of socio-economical rules, these won't necessary attend particular needs or requests until they become part of the public interest (Buchanan & Tollison, 1984, p. 439-441).

"When the government is prohibited from responding to the majority demands for particular goods and services even the median-preference voter will be dissatisfied" (Powell & Steinberg, 2006, p.122, 123).

Since nonprofit organizations have specific missions and activities—from altruist activities to research, networking, education and training--they can sometimes attend public requests and needs that government institutions find challenging or have not taken in consideration.

Also, nonprofits can play an essential role in the formation of civility and participation in the public sector. This function can increase the involvement of the public in government actions (Clemens in Powell & Steinberg, 2006, p. 207-217).

Clemens (2006) explains:

...nonprofits matter not simply as providers of services but also potential sites for the constitution of citizens and vehicles for the expression of articulated interests and values. The capacity of nonprofit organizations to serve these functions depends on..the opportunities for practicing participation (Powell & Steinberg, 2006, p. 216).

The most relevant function of nonprofits for this thesis is networking. Steinberg explains, “Many forms of nonprofits...nurture interactions among stakeholders. This is hardly unique to nonprofits”(Powell & Steinberg, 2006, p. 123).

However, Ben-Ner and Gui (2003) argue, “They create better personal relationships among stakeholders than for-profits” (as cited in Steinberg, 2006, p.123). Nonprofits “serve as creators of collective good social-capital network of relations that facilitates joint action” (Steinberg in Powell & Steinberg, 2006, p. 123).

Prewitt (2006) explains that the existence of the nonprofit sector can be explained under two conflicting arguments; nonprofits claim their space among the other two sectors and the private and state sectors allow the space of nonprofits (Powell and Steinberg, 2006).

The first states the functions of the nonprofit sector depend on the resources and assets that are produced and controlled by governments and corporations (Prewitt in Powell and Steinberg, 2006 p. 357).

Prewitt (2006) explains:

The nonprofit sector exists because the state and market allow it to, and because the sector asserts its independent rationale. These explanations start from the assumptions that there are market failures and government failures, and that the nonprofit sector exists as a provider of unmet collective goods (Powell and Steinberg, 2006, p. 357).

Conversely, Prewitt (2006) argues, “The nonprofit sector has resources that belong uniquely to it, and these are the advantages it brings to contests over the boundaries that provide an autonomous space for civil society. These factors are germane: human nature, resistance and pluralism” (Powell and Steinberg, 2006, p. 357).

Nonprofits “take the space that lies outside the state and market...a home for something basic to being human. This is a powerful resource on which the nonprofit sector draws as it contests for its own protected space” (Prewitt in Powell and Steinberg, 2006, p. 357).

### **3.2c Relationship with corporations**

The words, “nonprofit” and “market” clearly mark the differences between both sectors. However, Galaskiewicz & Colman (2006) argue that philanthropic partnerships are seldom purely altruistic and commercial partnerships often have an element of altruism” (Powell & Steinberg, 2006, p. 180).

Thus, nonprofits and corporations collaborate to “advance public welfare [or] simply making money for both parties” (Galaskiewicz & Colman in Powell & Steinberg, 2006, p. 180). Prewitt explains, “[T]he market mostly ignores service sectors in which the nonprofit sector is especially active, this too can change if the market sees profitable opportunities” Powell & Steinberg, 2006, p.356).

Galaskiewicz & Colman (2006) identify three types of collaboration between corporations and nonprofits: philanthropic, strategic and political.

## **Philanthropic collaborations**

Philanthropic collaborations are usually based in donations from corporations to nonprofits. Donations can be money or products “with few or no conditions and no expectation of direct measurable benefit” for the donor (Galaskiewicz & Colman in Powell & Steinberg, 2006, p. 184).

Although donations can benefit a corporation in the long run— a better-educated workforce or goodwill for example—donors “do not expect a quid pro quo” (Galaskiewicz & Colman in Powell & Steinberg, 2006, p. 184).

However, the nonprofits are “expected to use the donations to pursue their tax-exempt purpose”. Donations are usually “deducted as charitable contributions” (Galaskiewicz & Colman in Powell & Steinberg, 2006, p. 184).

Galaskiewicz & Colman (2006) explain:

Philanthropic partnerships often entail more than check writing or equipment donations. Employees can get involved as volunteers, firms sometimes share their marketing or information systems expertise, company representatives will participate in planning and policy sessions, and a company will often adopt the project as it were of its own (Powell & Steinberg, 2006, p. 185).

Galaskiewicz & Colman explain, researchers and commentators cannot agree on the motives behind philanthropic collaboration. Some argue the main motivation for corporations to do charitable actions is to increase profits and improve financial performance by enhancing the corporations image (Powell & Steinberg, 2006).

Others believe philanthropy is a form of executive compensation or prerequisite and serve managerial utility. Some argue corporations pursuit further social welfare (Galaskiewicz & Colman in Powell & Steinberg, 2006). Galaskiewicz & Colman explain, “To complicate matters, one often finds different motives in the same firm, and sometimes in the same executives” (Powell & Steinberg, 2006, p. 185).

## **Strategic collaborations**

Strategic collaborations happen when a company sponsors a nonprofit event or donates products or equipment. These collaborations are usually managed by the marketing or PR department as from of the company's promotion.

Galaskiewicz & Colman explain, "On the one hand, these collaborations are quasi-charitable, because in most instances expenditures can deductible as charitable contributions, and they further the mission of the nonprofit partners. On the other hand, they are quasi-commercial, because the firm is seeking direct benefit" (Powell & Steinberg, 2006, p. 187).

## **Commercial collaborations**

In commercial collaborations, "the nonprofit partner hopes to use funds from these commercial enterprises to subsidize its related program service activities, but the activities itself is unrelated to the mission." Examples of these collaborations include "cause-related marketing, licensing of names and logos, and scientific collaboration" (New York Attorneys General, 1999;3 as cited in Galaskiewicz & Colman, p.192).

Galaskiewicz & Colman explain:

In cause-related marketing a company chooses a cause, charity, or nonprofit organization to adjoin itself to and advertises this newly formed partnership. Both parties benefit, because typically the firm gives a percentage of sales to the nonprofit, and the company increases sales because of its association with a credible nonprofit (Powell & Steinberg, p. 191).

In licensing names and logos, "the nonprofit organization agrees to sell the right to use its name and logo in the promotion of the commercial sponsor's products. In return, the commercial sponsor pays the nonprofit substantial amounts of money..." (Galaskiewicz & Colman in Powell & Steinberg, p. 192).

## **Political Collaborations**

Political collaborations are engaged to cultivate a company's political ideology and interests in communities through charitable activities, this can also be identified as policy marketing. "Collaboration with nonprofits can assure companies the transformation of nonprofit agendas from anti-business to pro-business" (Galaskiewicz & Colman in Powell & Steinberg, p. 193).

Galaskiewicz & Colman explain:

Often, in the course of supporting nonprofit organizations, companies seek to further their own political agendas. Managers use contributions to capture the attention of key stakeholders, mime messages by symbolically transmitting corporate interest to other stakeholders, and vend values by institutionalizing them in society. (citing Haley 1991, p.487 in Powell & Steinberg, 2006, p. 193).

Contributions to public-interest coalitions, advocating state funding to art programs and supporting educational nonprofits "that have thinly veiled political agendas," are examples of companies' policy marketing" (Galaskiewicz & Colman in Powell & Steinberg, p. 193).

### **3.3 Types of nonprofit organizations**

Examples of nonprofits are vast and diverse, they include religious groups, communal charities, research and medical foundations, colleges and universities. This thesis focuses on two types: nonprofit membership associations and international nongovernmental organizations.

#### **3.3a Nonprofit Membership associations**

Knoke (1986) defines a membership association as a "formally organized named group, most of whose members—whether persons or organizations—are not financially recompensed for their participation" (as cited in Tschirhart, 2006, p. 523).

Tschirhart (2006) explains, "nonprofit membership associations are known to "support democratic processes, give voice to special interests, regulate behaviors, developed and diffuse innovations, and provide psychological and social rewards" (Powell & Steinberg, 2006, p. 523).

Nonprofit membership associations may serve important functions in the development and diffusion of innovations. They can bring diverse individuals together to brainstorm and share ideas and can define best practices and set standards and benchmarks (Tschirhart in Powell & Steinberg, 2006).

Through nonprofits membership associations, “members may affirm their beliefs and values, and develop positive self-identifications” (Tschirhart in Powell & Steinberg, 2006, p. 527).

### **3.3b International nongovernmental organizations**

Social and economical globalization led to the construction of a global civil society. International Nongovernmental Organizations (INGOs)--groups of organizations or people, independent of the state, that join efforts to address international issues-- “are currently covering a multitude of concerns [of the global civil society] including basic human rights” (Jacobson & Jang in Gudykunst & Mody, 2002, p.350).

Boli (2006) explains:

In world society, an analogous sector [public sector in a society] operates outside both global economy (World Trade Organization) and the global interstate system (United Nations). This global third sector is the realms of INGOs, all those voluntary associations, confederations, societies, alliances, councils...that organize on a transnational basis in pursuit of goals and purposes that transcend the boundaries of national territories and state jurisdictions (Powell, Steinberg, 2006, p.333).

#### **Activities**

One of the main activities of INGOs is disseminating information on global issues by publishing reports, books, magazines, newsletters and web sites. INGOs also send “calls to action and appeals for support to their members or potential members. INGOs work as transnational intermediaries between governments, international committees and corporations, as well as advocates and representatives of civil society in global politics.

“INGOs attempt to influence other actors in world society” (Boli in Powell & Steinberg, 2006, p. 333). Major targets of these organizations include international monetary and trade committees, individual states and transnational corporations, urging them to protect the environment, the rights of minorities and ethnic groups and to promote independence and prosperity of societies in developing countries (Boli in Powell & Steinberg, 2006).

### **Membership**

Boli explains, “INGOs members initially were concentrated in Europe and the Americas, but this is less and less the case; the peoples of non-Western countries are increasingly active in INGOs, and many newer INGOs have non-Western origins” (Powell & Steinberg, 2006, p. 334).

The global nonprofit sector yield a “dense population of organizations that form an almost bewilderingly complex array of networks concerned with an enormous number of social activities and issues” (Boli in Powell & Steinberg, 2006, p. 334).

The Union of International Organizations offers memberships to INGOs and Intergovernmental Organizations and created a report of all its registered organizations, called the Yearbook of International Organizations (YIO) (Boli in Powell & Steinberg, 2006).

“The UIA gradually emerged as the main repository of information about international organizations, becoming the quasi-official source associated with the [U.N.]” (Boli in Powell & Steinberg, 2006, p. 334).

INGOs can be formed by nonprofit organizations or people from various countries. Reporters Without Borders, which is headquartered in France and has offices in the Americas, Asia and Africa, could be an example of this type of INGO (Boli in Powell & Steinberg, 2006).

Other free-press international nonprofit organizations such as ICPJ and IFEX (see Chapter 4) were established after journalists or media experts from several countries gathered in a committee or conference. A nonprofit organization can also become an INGO when it establishes branch organizations in countries abroad its headquarters (e.g. Green Peace) (Boli, 2006 in Powell and Steinberg, 2006, RWB, 2008; IFEX, 2008; ICPJ, 2008; Green Peace 2008; IRS 2008a).

## **Communication and language use**

The Internet has become an essential tool for INGOs. It is “routinely describes as a great boon to global nongovernmental organizing” (Boli in Powell and Steinberg, 2006, p.338 citing Naughton, 2001).

INGOs use web sites, blogs, e-mails and online newsletters to expose their mission statement and activities, recruit members, disseminate information and create networks with other organizations. Internet communications have also shortened distances between members from divided by continents and borders (Boli in Powell and Steinberg, 2006).

The 1999-2000 Yearbook of International Organizations shows that English is the most used language used in INGOs. The next most common are French, German and Spanish (YIO as cited in Boli, 2006).

Boli (2006) explains, “the rapid broadening of INGO participation by peoples outside the West has occurred within the context of heavy reliance on these European tongues, which are still the only languages of broad significance of interaction in world society” (Powell & Steinberg, 2006, p. 338).

### **3.4 General structure of nonprofit organizations**

This part describes the basic elements of a nonprofit organization. First, it provides definitions of mission, vision and values of an organization. Then, it explains the elements of nonprofit governance and structure; board composition, volunteer and staff recruitment and board-staff relationships. It also presents basic guidelines for legal incorporation. Finally, it presents basic nonprofit communication strategies for internal and external audiences.

#### **3.4a Mission, vision and values statements**

The first step to create a nonprofit is to establish the reason for its existence. This must be clearly defined in its mission, vision and values. The characteristics of each of these elements are explained in this part.

## **Mission**

Mission statements are the basis for nonprofit organizations. “At its most basic, the mission statement describes the overall purpose of the organization. It addresses the question 'Why does the organization exist?’” (McNamara, 2008a, ¶ 3).

Tuckman & Chang (2006) explain the functions of mission statements:

- Legitimate provision of services designed to meet a wide variety of constituent demands.
- Make it easier for nonprofits to “sell” their mission to a wide variety of participants with divergent views on how best to accomplish a given goal.
- Provide flexibility for administrators to be creative and propose activities that appeal to donors.
- Inspire volunteers and administrators to fulfill the organization's goals and pursue multiple approaches in meeting these goals.
- Allow nonprofits to perform a variety of activities without having to alter their mission statement each time they undertake a new activity (p. 633).

Meshanko (1996) explains, “A Mission Statement should be a one-sentence, clear, concise statement that says who the agency is (the name, that it is a nonprofit, and what type of agency it is), what it does, for whom and where.” (¶ 4).

Mission statements should be as specific as possible. Tuckman and Chang (1994) explain, “These statements, when written in broad, unfocused, and sometimes all-encompassing terms, make it difficult to tell when the activities of the nonprofit are drifting from its intended purpose” (p.633).

## **Vision**

An organization's vision can be defined as a vivid description of the organization's ideal future or outcome; its ultimate end. A vision statement represents “a deep purpose that expresses the organization's reason for existence.” (Change Management, 2008, ¶ 1).

A vision statement should incorporate the mission, values and beliefs of the organization.

Grove Consultants International (2008) explain:

Setting high level directions through visioning processes has emerged as a discipline in the last decade, fueled by increasing turbulence in the external environment. Industry shapers tend to do better than followers, especially when it's not clear what to follow. Being "visionary" is also a widely touted competency of leadership. Vision processes seek to create a compelling picture of desirable future states that often represent quantum changes from the past. They develop memorable imagery and stories about the nature and benefits of this future, and work backwards to understand the journey that could carry people to this vision (§ 6).

### **Values**

McNamara (2008a) explains, "Values represent the core priorities in the organization's culture, including what drives members' priorities and how they truly act in the organization, etc. Values are increasingly important in strategic planning. They often drive the intent and direction for 'organic planners'" (§ 5).

Values manifest in everything nonprofits do as an organization, not only in their activities with society but also in their operation and management (Adams, 2008). Adams (2008) explains, "Articulating values provides everyone with guiding lights, ways of choosing among competing priorities and guidelines about how people will work together" (p. § 7).

A successful organization will merge its own values with its members.. Shared beliefs in an organization "increases [its members'] sense of responsibility to [their] fellow workers and thereby strengthens the sense of unity across the organization. Finally it reinforces a sense of purpose in [their] daily work..." (Snyder, Dowd & Houghton, 1993, p. 159).

### **3.4b Governance and Organization**

Effective governance is crucial to a nonprofit organization's functioning. Each nonprofit must determine which governance model is more adequate to its structure and mission. This part presents

different models of nonprofit governance, the main activities of nonprofit boards, and explains the importance of choosing the governance model based on the organization's needs.

### **Board of directors**

To be legally recognized in the U.S., Canada and France, as well as to be recognized internationally, a nonprofit organization must be led by a board of directors.

Ostrower & Stone (2006) explain, "Boards are charged with ultimate responsibility for the nonprofit organization that they oversee. Within the nonprofit world, they serve as an important channel for civic participation and play a critical role in connecting individual institutions to their larger environment" (Powell and Steinberg, 2006, p. 612).

The board of a successful nonprofit must make major decisions through a consensus and get the rest of the members involved in them. They must promote leadership, teamwork and openness to discussion and accountability both inside the organization and the community it serves (McNamara, 2008b).<sup>1</sup>

Effective boards are also more involved in policy formation, strategic planning, program review, board development, resource development, financial planning and control, and dispute resolution (Ostrower & Stone in Powell and Steinberg, 2006, p. 612).

The criteria to elect board members depend on the needs of the nonprofit. However, Gottlieb (2008) argues every member of a nonprofit board must understand the needs of the community the nonprofit serves, must have passion for its cause, willingness to commit for meetings with the board and staff, planning sessions and special events, must be a team player and be someone who listens well and is thoughtful in considering values (¶ 9).

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<sup>1</sup> McNamara provides a checklist to evaluate a nonprofit board of directors:

[http://managementhelp.org/org\\_eval/uw\\_brd.htm](http://managementhelp.org/org_eval/uw_brd.htm)

## **Board Models**

The size and personality of the organization determines its governance model. McNamara (2008j) defines three nonprofit board models: “working-board”, collective and policy governance.

### **Working-board and collective governance models**

In a working-board model, board members do managerial but also collaborates in staff activities; “Board members might be fixing the fax one day and strategic planning the next” (McNamara, 2008j, par. 4).

In a collective board McNamara (2008j) explains board members do similar activities from the rest of the staff. In this model roles and responsibilities are interchangeable and hierarchy lines are not drawn clearly.

### **Policy Governance Model**

In a policy governance model, also known as Carver's Policy Governance model, board members are in charge of top-policy making and lines are clearly drawn between roles and responsibilities of staff, managers and board members. This model is usually seen in for-profit corporations or large nonprofit organizations (Authenticity, 2008).

[The policy governance model] is designed to ensure that Board members always operate in a fashion that maintains strong, strategic focus for the organization. Board members enforce clear policies that determine the “ends” for the organization to achieve and they set very strict limits within which the Chief Executive operates. This structure is characterized by few, if any, distinct officer roles or Board committees (Authenticity, 2008, par. 7).

### **Networked Governance model**

Renz explains a network governance model becomes necessary when various organizations collaborate to achieve the same mission or to assist a specific community. The burden of activities and objectives of a nonprofit network may be hard to handle by only one organization's board (Renz in Authenticity, 2008, par. 2).

“Nowadays, many nonprofit services to a community are often delivered across a network of organizations and, thus, the distributed governance of that network is a key point in the effectiveness of those services” (Renz in Authenticity, 2008, par. 2).

### **Nested-boards model**

Nested-boards model is usually seen in what Bradshaw defines as umbrella organizations, which are formed by various subgroups. In this model, usually each board member represents a subgroup (in Authenticity, 2008).

Board members in this model can find themselves struggling between subgroup autonomy and the advantages of being affiliated with other organizations. “Likewise, the umbrella organization wants the dedicated participation and contributions of the subgroups, yet wants the subgroups to effectively manage their own operations in their own locales” (Authenticity, 2008, par. 6).

### **System-wide governance**

In this model, all members of the organization are responsible of its governance. Freiwirth and Letona argue that “the traditional 'top down,' 'command and control' paradigm of Boards” can become an obstacle for the organization in their mission achievement (Authenticity, 2008).

Since traditional nonprofit governance models are based on for-profit models they “creat[e] a strong demarcation between board and staff, with the executive director serving as the only link between them” (Authenticity, 2008, par. 3).

Freiwirth (2007) explains that in traditional nonprofit governance models, “the executive director often becomes the sole connector to the external world and filters information about an organization’s constituency, which can result in board disconnection and inhibit effective governance” (p. 38).

This model also leads to the creation of a class system in nonprofits in which “professionalized boards comprising 'experts' can deepen the class differential between the board and the community, further exacerbating the board’s disconnection from those it ultimately serves” (Freiwirth, 2007, p. 38).

The system-wide model is based on community-engagement governance in which the responsibilities are distributed among key members of the organization (board, staff, committees and community stakeholders) (Freiwirth, 2007).

Freiwirth (2007) explains:

Governance is about power, control, authority, and influence. With engagement governance, decision making—and thus power—is redistributed and shared, creating joint ownership, empowerment, and accountability. As a result, those closest to the organization's work—constituents and staff—are partners with the board. This redistribution of power makes nonprofits more resilient and responsive and creates a dynamic community presence (p. 40).

### **Relationship model©**

The Relationship Model© is based on a valued-based governance that focuses on the involvement, empowerment and affirmation of each individual in the organization (Relationship, 2008).

Rather than having a “top-down structure of roles and hierarchy of the traditional policy model”, the relationship model makes emphasis on the generation of strong relationships and joint efforts between board members and staffs as well the accountability of each member (Authenticity, 2008, par. 5).

Decision-making in the relationship model “proceeds from shared values, vision and mission, not unilaterally from the Board or the Chief Executive Officer. Decisions are made as close as possible to where they are implemented” (Authenticity, 2008, par. 5).

Board members and staff develop experiences through shared experiences and organization's rituals and events. The opinions of both directors and staff are “greatly valued” and “play an important role in bringing matters” to the organization (Authenticity, 2008).

This model doesn't include committees and board members “are not expected to take part in activities outside Board meetings,” but they can assist the staff members in their activities (Authenticity, 2008, par. 5).

### **Principles for governance design**

Freiwirth (2007) explains that every nonprofit must design its governance according to its mission and social context. However, she proposes every organization must consider the following principles when choosing or designing their governance model.

- The organization's planning must be based on the desired results; its impact on the community and its core.
- The organization governance must include a shared-authority body conformed by primary stake holders; “the constituency that the nonprofit serves,...the organizational board, staff, and volunteers; and...founders, legislators, other nonprofits, and networks [secondary stakeholders]” (p. 40). Freiwirth (2007) explains, “Critical organizational and strategic decisions—such as key strategic directions or new initiatives—are generally made together by active constituents, staff, and board members” (p. 40).
- The organization must have an open and constantly-updated information system available to all members. ongoing information flow, transparency, and communication among the stakeholders and organizational components can promote effective decision-making at all levels.
- Creatively distributing responsibilities based on the governance functions; planning, advocacy, evaluation, and fiduciary care, rather than assigning each member roles and responsibilities. Each organization will determine the level of responsibility of each group in the four governance key functions.
- Freiwirth (2007) explains organization must have four competences at an individual and collective level: strategic thinking, mutual accountability, shared facilitative leadership, and organizational learning.

## **Diversity issues in nonprofit boards**

Several authors argue most nonprofit boards fail to be racially and culturally diverse (Masaoka, 2002; Ostrower & Stone in Powell and Steinberg, 2006; Mutua, 2002).

Masaoka (2002) argues, "Many boards are reluctant to bring up sensitive topics, and race, sexual orientation, and other matters are often difficult to discuss constructively" (p. 1).

After gathering studies on board composition, Ostrower & Stone (2006) concluded:

...the vast majority of trustees are white, more trustees are male than female, and boards draw their members disproportionately from members of the upper middle and upper classes. Still most of our info is based on larger affluent institutions of the type that attract elite participation (p. 614).

In the case of International Non Governmental Organizations (INGOs), Mutua (2002) explains, "The board of directors of the European-based INGOs tend to differ, somewhat from American INGOs, although they too are dominated by Westerners, Western-trained academics, professionals, and policymakers, or non-Westerners whose world view is predominantly Western" (p. 50).

Mutua (2002) argues that the reliance of nonprofits on private funding promotes elitism in their board composition (p. 51). "[The board] networks and associations signify an INGO's reputation and acceptability by political, cultural, intellectual, and business elites" (Mutua, 2002, p. 51).

Mutua (2002) explains, "The tapestry of social and business ties, drawn from leading Americans who believe in liberal values and their internationalization through the human rights regime, underlines the agenda of INGOs" (p. 51).

Masaoka (2002) explains:

Discussions about diversity are difficult to hold. The topics of race, ethnicity, gender, and sexual orientation evoke deeply felt, complex emotions, and participants in the discussion frequently have quite different points of view. These discussions, though they may be difficult, are an important part of the way a board develops its values

and vision, and provide a unique platform where individuals can develop their own thinking (p. 2).

Ostrower & Stone (2006) explain “boards are becoming more demographically diverse, but a very uneven pace” (Powell & Steinberg, 2006, p. 614).

Masaoka (2002) explains a board can overcome diversity issues by considering the following principles (p. 1):

- To help ensure that the perspectives of people utilizing services are reflected in planning and operations, organizations should have on their board members of the communities being served, including clients, customers, and volunteers.
- An organization's board should include individuals who bring contacts, sensibility, and knowledge related to the organization's business objectives.
- Even beyond an organization's client population, today's diverse communities need diverse organizations as community building blocks. As an employer, nonprofits have a responsibility to community-building (although a small organization doesn't have the same scope of responsibility as a large one).
- Ethnic-specific and gender-specific organizations (and others) should clarify and articulate their policies (whether/how to diversify) as part of their missions or their strategies for working with their communities (p.1).

### **International membership and charities**

In the U.S., depending on state laws and regulations, board members of a 501(c)(3) public charities can reside in other countries or be non-U.S. Citizens. P. Barber (2008) explains, “There is no federal barrier to directors [or volunteers] from outside the US.” (Personal Communication).

Also, nonprofits can receive donations or have donors form outside the U.S. According to International Programs Council on Foundation, many nonprofits in the U.S. promote international charity (COF, 2008).

International charity can be divided in two types: “resources through grants to domestic or foreign organizations for use in international work, and the provision of services through program operations abroad carried out directly or in partnership with indigenous organizations” (COF, 2008, p. 2).

COF (2008) explains:

[Charitable organizations] have always been those threats posed by persons and organizations—whether donors, employees or recipients—that view legitimate charitable organizations, along with banks and businesses and virtually any other source of funds, as the unwitting financiers of non-charitable private interests. Charitable organizations have successfully addressed these challenges through attention to procedures designed to reduce the risk that charitable assets would be used for non charitable purposes. Some of these procedures are mandated by the U.S. tax law, and others are determined by individual organizations’ assessments of the demands of their charitable activities (p. 1-2).

One of the main concerns regarding international charity is the existence of false nonprofits dedicated to finance terrorist activities (COF, 2008, P. Barber, 2008, personal communication).

P. Barber (2008) explains, “The U.S. government like many others around the world has instituted various controls in an effort to prevent the use of nonprofit organizations as conduits for the financing or organization of terrorism” (Personal Communication).

COF (2008) explains, “The Treasury Department encouraged a dialogue with concerned charities, emphasizing that the Guidelines (see guidelines in Appendix) are voluntary and are intended to assist charities in developing their own procedures to guard against the threat of terrorist abuse” (p. 3).

COF (2008) explains:

Generally, U.S. tax law requires that when a U.S. charitable organization supports

charitable activities abroad it must satisfy certain criteria designed to reduce the risk that resources would be expended for non charitable purposes. The primary way in which a private foundation may provide support to a foreign organization is by undertaking expenditure responsibility, which focuses specifically on why a particular grantee is well suited to carry out the terms of a particular grant, and then monitors the grantee's progress in doing so (p. 5).

P. Barber (2008) recommends the assistance from an attorney with experience in this matter when registering an international nonprofit organization (Personal Communication).

### **3.4c Volunteers and paid staff**

Voluntarism is the essence of the nonprofit sector. The donative-labor hypothesis states that “due to nature of the good or service produced by nonprofits, nonprofit workers derive well-being from participating in the enterprise, and thus willing to accept a lower wage” (Leete in Powell & Steinberg, 2006, p. 161).

Leete explains, “volunteer labor might be viewed as the extreme case of donative-labor hypothesis” (Powell & Steinberg, 2006, p. 166)...The nonprofit sector is unique in receiving the lion's share of donations of unpaid labor” (Powell & Steinberg, 2006, p. 167).

Volunteers should be distinguished from activists. Voluntarism focuses on ameliorating individual problems while activism is oriented to broader social change. (Leete in Powell & Steinberg, 2006, p. 167).

Leete identifies four main motivations for voluntarism.

1. **Instrumental motivation:** people may engage in voluntarism “to increase the supply of public goods” to encourage others to volunteer by setting an example, or to spend time in the organization before making a donation (Powell & Steinberg, 2006, p. 171).
2. **Self-fulfillment motivation:** people become volunteers to “express or act upon values that are important to them (including altruism), increase their understating of the world, engage their own

psychological development and enhance their self-esteem” (Clary, Snyder, and Stukas, 1996 as cited in Leete in Powell & Steinberg, 2006, p. 171).

3. **Cost-benefit motivation:** people engage into volunteer activities to “enhance their skills or marketability in the paid labor market, their career advancement, or their status within their profession” (Day and Devlin 1998 as cited in Leete in Powell & Steinberg, 2006, p. 171).
4. **Network motivation:** voluntarism promotes and maintains social connections. “[S]ocial networks...memberships, personal connections and other activities that increase social solidarity in a community...play a crucial role in involving individuals and motivating them to volunteer” (Leete in Powell & Steinberg, 2006, p. 171).

Although volunteers don't receive money, it is clear they expect to gain a greater good from their work. Also, organizations have in mind volunteers are not free; they have to “make expenditures on training, supplies, insurance and management [in using them]” (Leete in Powell & Steinberg, 2006, p.166-167).

### **Paid staff in nonprofits**

Because of the nature of nonprofit, paid staff working in the nonprofit sector usually expects less earnings than they would expect in the for-profit sector (Leete in Powell & Steinberg, 2006).

Leete explains:

Because of each sector of the economy (nonprofit, for profit and government) is composed of a different mix of occupations and industries (each of which embodies different distributions of skills and working conditions) one should expect different earnings levels in each sector. Further, we may also observe differences in pay that are attributable to the differential effects of organizational structure, mission and constraints across sectors (Powell & Steinberg, 2006, p. 161).

The nature of paid staff in nonprofits can be explained by two hypothesis. The first is the nonprofit wage level or donative-labor, in which the lower pay in nonprofits “is equivalent to monetary

donation to the organization producing public goods” (Leete, 2006, p.162). In this sense, the low pay is compensated by “work that is more morally palatable” (Leete in Powell & Steinberg, 2006, p.162).

The second refers to “philanthropic amateurism”; nonprofits can have “a lack of professionalism or small-scale operations, or be subject to the uncertainties of a competitive funding environment. These conditions would lead to lower rates of pay than would otherwise be expected” (Leete, 2006, p. 161-162).

Leete explains, “While rigorous studies of nonprofit monetary compensation have yet to include direct measures of non monetary compensation, a number of descriptive works characterize the nature and quality of nonprofit employment” (Powell & Steinberg, 2006, p. 165). Leete notes that studies indicate nonprofits employees “have strong preferences for work that is personally challenging, socially meaningful, and...that allows work-family life balance” (Powell & Steinberg p. 166).

### **Board-staff relations**

Ostrower and Stone (2006) identify two models of board-staff relations in nonprofits. The first is the authority model, in which the board of directors has the “ultimate responsibility and accountability for fiscal integrity and organizational direction” and staff members are subordinates (Powell & Steinberg, 2006, p. 617). This model is often statutory for nonprofits as “boards are held legally responsible for these functions” (Powell & Steinberg, 2006, p. 617).

The second model is partnership governance model “that establishes the authority of both lay volunteers and professionals [or board members] in decision making in nonprofit organizations” (Ostrower and Stone in Powell & Steinberg, 2006, p. 617).

Ostrower and Stone (2006) explain the roles, responsibilities, and power of boards in nonprofit governance depend on the age and size of the organization and are part of an evolutionary cycle:

After a nonrecurring founding period, the operational style of the board moves through sequential phases as the board becomes less intensely involved in the mission and operations of the nonprofit and more interested in bureaucratic

procedures balance of board and staff roles in associates with governance

(Powell & Steinberg, 2006, p. 617).

Regardless of the governance model a nonprofit follows, most board-staff problems can be solved or prevented if each member has clearly articulated roles, responsibility and expectations”

(Ostrower and Stone in Powell & Steinberg, 2006, p. 614).

### **3.4d Legal framework of nonprofits**

To present an overview of legal distinctions of nonprofit organizations, this chapter will explain the general legal framework of nonprofits in the U.S.

Brody (2006) argues “there is no single 'nonprofit law,'" as nonprofits deal with a variety of laws regarding tax, property, wills and trust and human rights (Powell and Steinberg, 2006, p. 244). However, this thesis will focus on the essential legal aspects to run a nonprofit.

#### **Legal protection**

Brody (2006) explains, “Private philanthropy and the nonprofit sector rest on the fundamental constitutional guarantees of private property, liberty of contract, and freedom of worship and expression” (Powell and Steinberg, 2006, p. 245).

In the U.S., the Supreme Court has recognized the “right to associate for the purpose if engaging in those activities protected by the First Amendment—speech, assembly, petition for the redress of grievances and the exercise of religion” [*Roberts v. the United States Jaycees*, 468 U.S. 609, 618 (1984)].

It is important to consider that nonprofits are also subject to restrictions regarding the rights granted by the First Amendment: “The government can infringe on the First Amendment right of expression if it has a compelling state interest and neutrality applies the least restrictive regulatory means” (Brody in Powell and Steinberg, 2006, p. 245).

Several courts in the U.S. have “expanded the boundaries of expressive [and non-expressive] associations” to assure ideological, religious, racial and gender groups are not subject of discrimination by association laws (Brody in Powell and Steinberg, 2006, p. 245).

In *Boy Scouts of America v. Dale*, the court held that “an association need not associate for the purpose of disseminating a certain message in order to be protected, but must merely engage in expressive activity that could be impaired” [530 U.S. 640 (2000)].

The U.S. Supreme Court has “affirmed the free-speech rights of charities soliciting for contributions, by invalidating state and municipal requirements that capped payments to fundraisers and certain other measures” (Brody in Powell and Steinberg, 2006, p. 245).

### **Purpose**

Both state and federal laws in the U.S. require organizations pursuing a tax-exempt status to prove nonprofit or charitable purposes. This means the organization must assure none of its members will enjoy inappropriate financial benefits, known as the “non-distribution constraint” (Brody in Powell and Steinberg, 2006).

Brody (2006) explains, “To some, the constraint against distributing profits...explains the existence of the nonprofit sector and keeps it honest, ensuring the dedication of assets and effort toward performing good deeds” (in Powell and Steinberg, 2006, p. 246).

Both state and private regulations to prevent undue distribution of assets in nonprofits will be explained later in this chapter.

### **Choice of form**

The laws of partnership allow applicants who wish to form a nonprofit to choose from “two basic regimes: the nonprofit corporation and the charitable trust” (Brody in Powell & Steinberg, 2006, p. 246).

Brody explains that the definitions of both categories vary from state to state in the U.S. (in Powell and Steinberg).

Nolo's Legal online database (2008) provides a general definition of nonprofit corporations: Nonprofit corporations are entitled to grants, tax exemptions, and limited liability protection...Often the reason for obtaining nonprofit status is simple -- it's usually a requirement for obtaining funds from government agencies and private

foundations. Obtaining grants, however, is not the only reason to incorporate as a nonprofit...There are two additional important benefits of forming a nonprofit: tax-exempt status and personal liability protection. (NOLO'S, ¶ 1-3).

SaveWealth (2008) defines Charitable Trusts as “irrevocable trusts that actually provide for and maintain two sets of beneficiaries: [income beneficiaries and elected charities]” (par. 5).

Nonprofit corporations are required to be managed by a board of directors whose members have specific responsibilities and usually make decisions democratically, while in charitable trusts “trustees are bound by the instructions of its creator, the settler” (Brody in Powell & Steinberg, 2006, p. 246). Because the organization proposed in this thesis will fall into the category of nonprofit corporation, this thesis only focuses in the structure and management of this type of organization.

### **Regulation and enforcement**

Brody explains that “nonprofit organizations...are subject to multiple levels of governmental supervision and scrutiny” (Brody in Powell & Steinberg, 2006, p. 249).

In the U.S., the Internal Revenue Service obligates nonprofits, under federal law, to go through disclosures: a form of audit in which nonprofits must “furnish [their] exemption application and last three tax returns to any person, no questions asked, upon request” (Brody in Powell & Steinberg, 2006, p. 249).

Brody (2006) explains:

Charities that resist increased standardized disclosure worry about releasing a tax form that the public will misunderstand or misinterpret. The public fails to appreciate the productive demands and fiscal needs of charities, and often expresses surprise that nonprofit managers are paid at all. (Brody, 1996a). The solution to this problem, though, is more disclosure—nothing prevents an organization from providing a more positive narrative of its goals and accomplishments (Powell & Steinberg, 2006, p. 251).

Besides government agencies, private organizations such as BBB Wise Giving Alliance are dedicated to nonprofit regulations.

Brody explains:

Private regulation has advantages and disadvantages compared with the compulsory, but minimal public regulation...The real test of the effectiveness of private regulation comes when the nonprofit body is faced with having to expel or impose other sanctions against a nonconforming nonprofit. The process sends not only a signal of trustworthiness, but also a credible and legitimate signal (Powell & Steinberg, 2006, p. 257).

### **Registration and tax exemption**

This chapter presents legal requirements for the registration of nonprofit organizations in the U.S., Canada and France as these countries host international nonprofit organizations that advocate press freedom, which are used as basis of the proposal presented in this thesis.

Idealist.org, a nonprofit that provides guidelines to create nonprofit organizations, explains in its web site, "A key first point is that creating a nonprofit starts with establishing an organization under the laws of some state" (Idealists, 2008, ¶ 1).

The U.S. Internal Revenue Service defines nonprofit organizations as "incorporated entities that qualify for the exemption from the federal income tax under any of twenty-six specific subsections of the Internal Revenue Code" (Hopkins in Salamon, Anheier, 1997, p. 30). Thus, nonprofit organizations have to prove to the IRS that their actions are done for the purpose of social welfare, and not for political or economic gain (IRS, 2008b, ¶ 1).

The Exempt Purposes section of The Internal Revenue Code reads:

The exempt purposes set forth in section 501(c)(3)<sup>2</sup> are charitable, religious, educational, scientific, literary, testing for public safety, fostering national or

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<sup>2</sup> "The [IRC] contains about thirty different categories of income tax-exemption, but generally only the charitable category also offers deductibility for contributions...tax exemption under [IRC's] section 501(c)(3) is so valuable that charities

international amateur sports competition, and preventing cruelty to children or animals. The term charitable is used in its generally accepted legal sense and includes relief of the poor, the distressed, or the underprivileged; advancement of religion; advancement of education or science; erecting or maintaining public buildings, monuments, or works; lessening the burdens of government; lessening neighborhood tensions; eliminating prejudice and discrimination; defending human and civil rights secured by law; and combating community deterioration and juvenile delinquency (IRS, 2008b, ¶ 1).

Salamon & Anheier (1997) explain:

In the U.S., nonprofit organizations are typically formally incorporated under state laws. However, this is a relatively recent practice. Prior to the 1950s it was common for organizations to adopt constitutions or charters but not to incorporate formally, and this is still a practice by many self-help groups. In the former Communist countries of Central and Eastern Europe, legal incorporation is not permitted. Also, in some countries, informal association is the norm (for example much of the nonprofit sector in Italy) (p. 14).

The Canadian Revenue Agency (CRA) grants "tax exemptions, technical advice on operating a charity, and handles audit and compliance activities to organizations eligible for charitable status under [Canadian] common law" (CRA, 2008, ¶ 1).

Because the Canadian Tax Income Act doesn't provide a definition of "charitable," CRA bases its definition on court decisions (CRA, 2008, ¶ 1).

CRA (2008) explains:

Only...purposes that fall within four specific headings or categories are charitable at common law. These categories are the relief of poverty; the advancement of

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will...adopt appropriate purpose language in their articles of incorporations of charitable trust documents" (Brody, 2006, p.246).

education; the advancement of religion; and other purposes beneficial to the community as a whole in a way which the law regards as charitable. The latter category identifies an additional group of particular purposes that have been held by the courts to be charitable at law. This does not mean that all purposes that provide a public benefit qualify as charitable (CRA, ¶ 6).

In France, nonprofit organizations or organizations of public interests can apply for tax reductions or revenues if their actions focus on longevity, nutrition and health of people in distress; higher education and artistic education; foundations and activities of public interest (charity and social welfare) (Service-Public, 2008).

Nonprofit organizations dedicated to health and medical assistance can receive a tax cut 75 percent of the sums paid the year before. If donations exceed a sum of 488 €, the organization receive a 66 percent tax cut within the limits of 20 percent of the assessed income (Service-Public, Vos Droits, 2008).

Organizations of public interest or utility receive a tax cut of 66 percent of the sums paid the year before within the limits of 20 percent of the assessed income (Service-Public, 2008).

To obtain tax-exemption (or revenues) or charitable status, most countries, (including the U.S., Canada and France) require nonprofits to have a board of directors and a mission statement. These and other general organizational requirements will be explained in the next chapter.

### **Legal Incorporation requirements**

To register a nonprofit organization and apply for tax-exempt status in the U.S., Carpenter (2008) outlines ten requirements. This thesis will focus on six: business plan, business name, legal advice, articles of incorporation, bylaws and application of tax-exemption status.

**Business plan:** the organization must draft an business plan that includes a mission statement, description of activities, marketing plan, purpose of the organization, evaluation of the situation or issue the nonprofit will concentrate its efforts on, board and staff bios (Carpenter, 2008).

The business plan must also include a 3-year budget plan that includes start-up costs, pre-incorporation expenses, incorporation, filing fees and board recruitment expenses, office, equipment and technology needs, initial operating costs and recruitment and training costs (Carpenter, 2008).

**Business name:** the organization must make sure their name is not already used by another organization. It must also consider not using terms such as “foundation” loosely to avoid future legal discrepancies; the name must be consistent with the type of organization and its mission statement (Carpenter, 2008).

**Legal advice:** Although is not required to have a lawyer in the organization. Carpenter (2008) explains a lawyer can make incorporation processed easily and more effectively (Carpenter, 2008).

**Articles of incorporation:** the organization must draft articles of incorporation that state it has an tax-exempt purpose, that no profits can benefit any individual, that is not a political organization and that “upon dissolution, all assets must go to another tax-exempt organization of similar service” (Carpenter, 2008, p.5).

**Bylaws:** Carpenter (2008) explains, “bylaws describe [the] organization’s corporate rules, behaviors, and actions” (p. 5). They must be carefully drafted by board members since they would be followed by all members of the organization and future board members.

They must include functions and authority of the board, meetings structure and schedule, elections, voting, quorum, officers, committees, operational staff, fiscal year, conflicts of interests and amendments (Carpenter, 2008).

**Applying for tax-exemption status:** the organization founders must fill out forms for tax-exemption status required by the state where they are registering the organization.

Other requirements depend on the state the nonprofit is applying for tax-exemption status (Carpenter, 2008).

### **3.5 Communication in nonprofits**

To assure success in all their activities, nonprofits must develop communication strategies (also known as public relation strategies) for their external and internal audiences (Feinglass, 2005; Beckwith, 2006; McNamara, 2008l).

### **3.5a Types of communication and audiences**

Organizations communicate with two types of audiences: the internal, which include all the members of the organization, and the external, which includes the public, clients, the community or members of other organizations. This part explains these two types of organizational communication and offers specific examples for nonprofits.

#### **Internal communication**

The internal audience of a nonprofit organization is formed by board members, paid staff and volunteers (Feinglass, 2007). Internal communication strategies make communication processes among members easier and more effective (McNamara, 2008l).

#### **Identifying internal audiences**

**Board members:** They are role models in the organization. Their role is to transmit the organization's values among the staff (Smith and Mounter, 2008; McNamara, 2008l). They can achieve this only by maintaining a fluent communication among them and with the rest of the organization (Smith and Mounter, 2008; McNamara, 2008l).

Usually board members underestimate the importance of internal communication and later they find themselves unfocused (Smith and Mounter, 2008).

Smith and Mounter (2008) recommend creating a habit of communicating constantly even in an informal way (brief chat, unplanned meetings, etc.).

**Paid staff:** Staff members will work more effectively if they feel part of the organization. Managers must understand that profit is not the only motivator. When staff members feel involved in decision-making processes and changes in the organization, they will adopt the organization's mission as their own (Papa, Daniels & Spiker, 2007; Smitds, Van Reil & Pruyn, 2000; Vasu, Stewart & Garson, 1998).

Motivated staff members are likely to transmit a positive image of the organization beyond its walls (Smitds, Van Reil & Pruyn, 2000). Open communication channels with supervisors and colleagues will build stronger bonds and confidence among the staff. This could also prevent major crises or minimize them (Papa, Daniels & Spiker, 2007; Vasu, Stewart & Garson, 1998).

**Volunteers:** Because of their diverse nature, volunteers are a hard audience to detect and hence, creating specific communication strategies for them becomes a challenge. In nonprofits, “service users can also be volunteers, staff or trustees” and hierarchy or role boundaries can be blurry (Smith and Mounter, 2008, p.28).

Smith and Mounter (2008) explain, “Tailoring communication for any combination of these...different audiences is a major challenge. Add to that the usual chronic lack of funding, and the scale of the task positively overawes. [The nonprofit] sector makes a virtue out of gaining extra mileage from all its communications” (p. 28).

It is often recommended to design communication strategies in accordance with the specific characteristics, resources and needs of the organization (Smith and Mounter, 2008).

### **Internal communication processes**

This part explains three communication processes that occur inside an organization: downward, upward and horizontal.

#### **Downward**

In downward communications, the supervisor or manager is the sender and the employees are the receivers of the message (McNamara, 2008!).

In an internal communication plan, board members or managers must do the following:

- Give every employee receives a copy of the strategic plan, which includes the organization's mission, values, etc.; the operations manual and the employee handbook with their job description and responsibilities.
- Hold regular meetings to report accomplishments or concerns, make announcements or “even if there's nothing pressing to report.” “If [managers] hold meetings only when [they] believe

there's something to report, then communications will occur only when [they] have something to say -- communications will be one way and the organization will suffer" (McNamara, 2008I, ¶ 8).

- Promote regular face-to-face contact with employees. Even if the organization has more than 20 employees (large for a nonprofit), management should stroll by once in a while.
- Give performance reviews that include accomplishments and needs for improvement. A nonprofit can develop a career plan with the employee if it has sufficient resources.

**Upward:** in this case, employees are the senders and the supervisors are the receivers of the message (McNamara, 2008I).

In an internal communication plan, employees do the following:

- Give status reports to their supervisors that include past, present and future objectives.
- Attend to one-on-one meetings with their supervisors at least once a month. "Even if the meeting is chit-chat, it cultivates an important relationship between supervisor and employee" (McNamara, 2008I, ¶ 9).
- Solicit feedback in management-staff meetings and act on it as well as on feedback from others.

### **Horizontal**

Horizontal communication process refers to the communication among individuals of the same hierarchic level. Horizontal communication is emphasized in the human development theory<sup>3</sup> and has been applied in Japanese organizations "in which decision making and problem solving usually occur through horizontal communication at lower levels" (Papa, Daniels & Spiker, 2007, p. 56).

This form of communication has the purpose of improving the performance among employees of a certain area in the organization, although informal communication among employees is a form of horizontal communication, it must not be identified as the common office gossiping or chit-chatting.

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<sup>3</sup> This theory is based on the principles of Maslow's Need Hierarchy and McGregor's Y&X theory, which states that 'Y' type employees are more likely to have constant communication with their colleagues because of their 'proactive' nature (Papa, Daniels & Spiker, 2007, p. 92-94).

Communication processes in Western organization are traditionally downward-upward and their members are used to the idea that major decisions are always made “at the top.” This is why this process is usually ineffective or even absent (Papa, Daniels & Spiker, 2007).

Papa, Daniels & Spiker (2007) explain:

Horizontal communication often fails simply because organization members are unwilling to expend the additional effort that it requires....Horizontal communication may require contact with people in units that are well removed from our own....The need to communicate with them makes us uneasy or takes too much time, so we avoid or ignore (p. 56).

### **Internal communication tools and activities**

**Face-to-face:** Print, audiovisual and electronic communication tools can be interchangeable or optional, but all members of an organization must engage face-to-face communications (Fernandez, 2006).

These include, one-on-one and *en masse* meetings, supervisor visit or strolling and open door policies (Smith and Mounter, 2008; McNamara, 2008; Fernandez, 2006).

Face-to-face communication also includes special events, such as awards, dinners, family picnics, etc (Smith and Mounter, 2008).

**Print:** For information related to work activities and procedures or individual messages organizations use memos, reports, manuals, letters and announcement boards (Smith and Mounter, 2008; McNamara, 2008).

To inform organizations achievements, major changes and to promote the organization's values, the communication department publishes internal newsletters, magazines, newspapers. They also use this media to report special events (e.g. awards, dinners, etc.) (BDC, 2008).

**Audiovisual:** orientation videos are usually produced for training or introduce employees to the organization (BDC, 2008). To make announcements, some organizations use closed-circuit TV and radio systems (Fernandez, 2006).

**Electronic:** for instant communications staff members use phone, cell phone or radio, text messaging, chat, video chat and emails (Fernandez, 2006).

For organizations of at least 30 employees organizations can use electronic tools such as intranet and company blogs to make information available online and be constantly updated (BDC, 2008). The communication department can also upload web versions of printed and audiovisual media (BDC, 2008).

BDC (2008) explains:

An intranet site can be useful, for example, to publish information on changed processes that everyone needs to use. [Managers should keep] in mind that the intranet is a passive vehicle - employees have to access it to use it. It doesn't replace electronic newsletters or emails, which are an inexpensive route to get out timely information (¶ 6).

### **External communication**

Nonprofits rely on persuasion to promote charitable giving and obtain benefits (Havens, O'Herlihy and Schervish in Powell and Steinberg, 2006, p. 543; Feinglass, 2007). They need to develop communication strategies with external audiences to expose their mission and achievements, maintain close relationships with donors and create new ones (Feinglass, 2007).

The public relations department of a nonprofit must concentrate on getting the organizations messages across for it to create support networks, develop its activities and fulfill its mission (Feinglass, 2007; Beckwith, 2006).

### **Audiences**

**Donors:** They are probably the most important audiences for public relations in nonprofits. Feinglass (2007) explains, "To reach current and potential supporters, the organization needs information tools to help raise the funds that keep all the wheels turning" (p. 17).

**Beneficiaries:** Nonprofits must reach the people they intend to serve. They must keep communication with current beneficiaries and expose their mission to reach people that might benefit from their services (Feinglass, 2007; Beckwith, 2006).

**Other organizations:** Nonprofits often collaborate with other nonprofits or public institutions, government agencies and corporations. They must develop communication strategies to report their activities to organizations that they share efforts with and create new affiliations.

**General Public:** Publicity campaigns and press coverage of their activities can help nonprofits reach the general public, which includes opinion or community leaders, potential members and volunteers (Feinglass, 2007; Beckwith, 2006).

**Media Outlets:** Public relations firms rely on mainstream media to reach various markets. Nonprofits need to persuade media producers to cover their activities and events.

Feinglass (2007) explains, “The media are focused on the need of good stories to tell, and for reliable sources of information to tell them” (p. 12).

Rubinstein (2007) observes:

The local press can be an invaluable resource for nonprofits...People really read their local papers. Placing a story in a small neighborhood weekly can result in a lot of visibility for a nonprofit that needs to be noticed in the community (Feinglass, 2007, p. 13).

### **External communication tools and vehicles**

**Press conferences:** Usually press conferences are the “best way to reach out the media...it entails bringing the media to the organization and it’s often used when a problem arises and getting a message to the media quickly is essential” (Feinglass, 2007, p. 93).

Press kits are also used by nonprofit organizations to give reporters background information and other resources for their coverage (Feinglass, 2007).

**Print:** Printed media include newsletters, brochures, fliers, magazines, posters and annual reports. Also, organizations can reach the public through media outlets by sending news releases and letters to the editor (Feinglass, 2007; Beckwith, 2006).

**Audiovisual:** Just like with printed news media, nonprofits can get across their messages through TV and radio shows. To promote their mission or a specific cause, large nonprofits produce advertising campaigns, which consist on TV and radio commercials and print media (Feinglass, 2007, Beckwith, 2006).

Some organizations produce their own videos and DVDs as audio visual brochures or to show them at fund raising galas and other events (Feinglass, 2007).

**Internet:** The Internet is an essential tool for nonprofits. Feinglass (2007) explains, “Today not having a Website is like not having a telephone number. No one is going to take seriously any organization that doesn't have one” (p. 244).

The indispensable elements of a nonprofit organization web site are (Feinglass, 2008, p. 245):

- Information about the organization's history
- The organization's mission statement
- Biographies of officers and key staff members
- Information on funding sources and current projects
- Policy statements
- Reports on organization's activities and achievements
- Frequently Asked Questions with their answers
- The current issue of the organization's newsletter or online news
- Other Web communication tools include chat rooms and forums, webinars (online seminars), e-mailings and online versions of printed and audiovisual media (Feinglass, 2007).

**Events:** Fund-raising events, congresses and award celebrations are also important communication strategies for nonprofits. Usually, one of the main purpose of media use is to promote these events (Feinglass, 2007; Beckwith, 2006).

### **3.5b Communications Plan**

Nonprofits can develop a communications plan to establish clear internal and external communication strategies (McNamara, 2008). A communications plan should include the following elements:

#### **Situation and Overview**

The first step of a communications plan is writing down an overview of the organization's communications situation. Beckwith (2006) explains this is where PR practitioners or publicists “articulate what's going on with the organization” and why their projects need publicity or communication strategies (p. 165).

#### **Target Audiences**

After understanding the organization's communication needs, the plan developers must detect and review the organization's target audiences. Plan developers must prioritize their list of audiences and determine what media outlets are the most suitable for each audience (Beckwith, 2006).

#### **Strategy**

The strategy “will summarize the direction the plan is going in one or two sentences” (Beckwith, 2006, p. 7). Examples of strategies include involving news outlets in an organization's actions, “leverage the information resources offered by a parent organization,” or take advantage of television shows including themes related to your cause (Beckwith, 2006, p.7).

#### **Goals**

Establishing goals is an essential part of a communications plan. Beckwith (2006) explains, “A goal is a broad statement of direction that is determined by the organization's needs” (p.7).

Plan developers must ask themselves if the communication strategies they propose in their plan will help the organization achieve its goals. If they believe the strategy will not be effective enough or is not viable, they must remove it from the plan (Beckwith, 2006).

When writing down the goals, the plan developers must answer the following question: what do I want to accomplish with this communication strategy? (Feinglass, 2007, Beckwith, 2006).

### **Objectives**

Plan developers must determine objectives based on the plan goals. “Objectives are measurable targets set within a specific time frame” (Beckwith, 2006, p. 8).

Beckwith (2006) explains objectives must be specific and be outlined the following in bulleted format (p. 8):

1. The plan expectations
2. The plan key players or developers
3. Starting and ending date of the plan strategies
4. Establishing guidelines to determine accomplishment of goals.

### **Tactics**

Tactics are the collection of activities (strategies) and tools (media) used to accomplish the plan goals and objectives.

Plan developers must “review their tactical options and select those that meet their need and budget” (Beckwith, 2006, p.9).

### **Budget**

Plan developers must know what the communication department budget is and how can they use it in their plan.

Beckwith (2006) explains, “It’s important to know from the beginning how much money [developers] can spend, because this amount will determine how many and which tactics [they’ll] use and whether [they’ll] be able to hire a consultant” (p.9).

### **Timeline**

A timeline can be a helpful document to keep track of activities in the plan. Plan developers must use the time line format that works best with their work style and personality; “whichever system will make certain that [they] execute the elements on time for maximum impact” (Beckwith, 2006, p. 10).

After completing all the elements of the plan, its developers should write them down and give a copy to all the key people in the organization. Communication plans should be constantly reviewed and changed if necessary (Beckwith, 2006).

### **3.5c Communication phenomena in a society of student journalists**

Because of the nature of its members and its activities, the organization proposes in this thesis would have communication processes not seen in other nonprofits. The results of the interaction of student journalists of several countries worldwide could make a contribution to studies of intercultural and digital communication. This part explains how an international network of student journalists can add more perspective to studies of media ecology, international communication and online social networks.

#### **Media Ecology in the organization**

Media ecology theorist believe mass media are either isolated or independent from other social factors. Postman (2008) explains, “Media Ecology looks into the matter of how media of communication affect human perception, understanding, feeling, and value; and how our interaction with media facilitates or impedes our chances of survival” (What Is, 2008, ¶ 17).

Media ecologists study “the interactions of communications media, technology, technique, and processes with human feeling, thought, value, and behavior” (Nystrom in What Is, 2008, ¶ 14).

The contributions of Marshal McLuhan to mass communication studies led to the creation of media ecology as a field of study. For McLuhan, all social, historical and cultural aspects surrounding mass media determine their form and message and vice versa (Levinson, 2000).

Levinson (2000) explains McLuhan's work led to a theoretical approach that “sought to explain how the nuances and great sweeps of human history are made possible by media of communication [and] how media determine the thoughts and actions of people and society, in a 'soft' way” (p. 17).

McLuhan's "medium-is-the-message" study approach states "the way we communicate, often taken for granted, often determines what we communicate, and therein just about everything else in life and society" (Levinson, 2000, p.19).

Neil Postman, creator of media ecology theory "in so much of McLuhan's image, was the one most responsible for [communication studies that focus] on media, technology, process, and structure, rather than content" (Levinson, p.19).

Based on McLuhan's approach, the structure of a student news outlets is determined by social, cultural and historical aspects, and this structure is a fundamental aspect of the message students intend to transmit. Thus, it cannot be expected that student media worldwide follow a specific model or have the same objectives.

An analysis of student media from a media ecology perspective would require the study of their social, cultural and historical context. Understanding Student Media Ecology worldwide would result in a more complex and rich definition of the functions and forms of student media.

By adopting a media ecology approach, advocates of student press freedom would avoid doing generalizations on how student media should be and how their issues and challenges should be addressed.

This way, a nonprofit that defends student press freedom can aid student journalists more effectively. Thus, the international network of student journalists would encourage students to create their media in accordance to their needs, rather than persuading them to follow a specific model.

### **International Communication and a society of student journalists**

The term "international" or "global communication" can refer to both, a phenomenon and a field of study; it can be understood as the communication process between countries and the study of communication processes worldwide (Volkmer, 2008, ¶ 1).

Volkmer (2008) explains, "Global communication gives us an eyewitness view of events in remotest locations, we participate in political discourses of global, regional or even local relevance.

These global processes, in which knowledge, values and ethics, aesthetics, lifestyles are

exchanged , is becoming autonomous, a 'third culture', a 'generative frame of unity within which diversity can take place'" (Featherstone, 1990:2 as cited in Volkmer, 2008, ¶ 1).

Markham (1970) explains, "[T]he primary unit of analysis in International Communication is the interaction of two or more societies/nations that are linked by mass media communication" (as cited in Gudykunst & Mody 2002, p. 5).

International communication studies are recently focusing on "the emergence of a Global Civil Society" (Jacobson & Jang in Gudykunst & Mody, 2002, p.349).

Jang & Jacobson explain, "[T]he globalization thesis suggests that a global public sphere may be evolving where private citizens of many countries are concerned about matters of public concern" (Gudykunst & Mody, 2002, p.349).

Following this definition, an international nonprofit that gathers student journalists concerned with free press issues in and outside their countries can be an example of a global civil society.

The actions of international nongovernmental organizations (ING) reflect the desires of the global civil society to resolve human rights violations and social injustice worldwide (Jacobson & Jang in Gudykunst & Mody, 2002). The functions of INGs are further explained on the next chapter.

International communication, as a field of study, interacts and often converges with cross-cultural or intercultural communication studies (Gudykunst & Mody, 2002).

Gudykunst & Mody (2002) explain:

Intercultural communication generally involves face-to-face communication between national cultures...Most current cross-cultural communication research tends to be comparative. A related area of research that falls under this rubric is cultural communication in the creation and negotiation of shared identities...Research on cultural communication tends to focus on understanding communication within one culture from the insiders' point of view (p. ix).

Downing (1996) proposes the creation of an international media theory that would "extend media analysis beyond its current theoretical and geographical boundaries and cultural assumptions" (

Gudykunst & Mody 2002, p. 117).

Downing (1996) states:

[W]e need to provide a full account of all the diverse media experiences in different nations...new discoveries emerge when media researchers--especially when they pursue collaborative studies--begin to incorporate the rest of the human planet into their theories and paradigms. Only then will meaningful multiculturalism begin to characterize media studies (Gudykunst & Mody 2002, p. 113).

An international network where student journalists can share information and ideas could serve as a subject of study for international and intercultural communication. This network could help media researchers analyze how students use media worldwide and find the differences and similarities of students' views on domestic and global issues.

Downing (1996) explains:

Theory is a constructed perspective, an attempt, to order our whirling, jagged experience...and it will always leave things out and give priority to others. Nevertheless, media theory will be made richer by examining social change contexts outside the narrow confines of Great Britain and the United States (Gudykunst & Mody 2002, p.17).

### **An international network of student journalists as an online social network**

Garton, Haythornthwaite & Wellman (2006) define social network as “a set of people (or organizations or other social entities) connected by a set of social relationships, such as friendship, co-working or information exchange” (¶ 4). They state, “[W]hen a computer network connects people or organizations, it is a social network” (¶ 4).

Social networks in the Internet<sup>4</sup>, such as blogs, chat rooms, forums and online communities (e.g. Facebook, MySpace), give users the possibility of interacting with people from other countries in

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<sup>4</sup> This thesis will refer to the World Wide Web as Internet.

an easy, immediate and relatively cheap way (Harasim, 1993, Boyd & Heer, 2005; Kumar, Novak & Tomkins, 2006).

Hasarim (1993) explains, “Global networks, the use of computers for international communication, will further enhance and expand how humans connect, communicate, and create community” (p.3).

Wellman, Salaff, Dimitrova, Garton, et al. (2008) explain that the absence of “verbal nuances, [body language], physical context...,and observable information about social characteristics (e.g. age, gender, race),” in online social networks can have considerable effects on social interactions (p. 6).

Wellman, Salaff, Dimitrova, Garton, et al. (2008) explain:

Research in this approach links the technical characteristics of [computer-mediated communication] to task group outcomes such as increased participation, more egalitarian participation, more ideas offered, and less centralized leadership (Hiltz et al 1986, Kiesler et al 1984, Rice 1987, Adrianson & Hjelmquist 1991, Weisband et al 1995). Limited social presence may also encourage people to communicate more freely and creatively than they do in person, at times “flaming” others by using extreme, aggressive language (Kiesler et al, 1984) (p.6).

Hasarim (1993) explains, “The network has become one of the places where people meet to do business, collaborate on a task, solve a problem, organize a project, engage in personal dialogue, or exchange social chitchat” (p. 17).

Despite these factors, studies show that online social networks fail to equal the advantages of physical proximity in management and decision-making in organizations. (Wellman, Salaff, Dimitrova, Garton, et al., 2008; Garton, Haythornthwaite & Wellman, 2006).

Garton, Haythornthwaite & Wellman (2006) concluded in one of their studies on computer-mediated communication (CMC), “People who communicated more with each

other are placed closer together” (¶ 56). People in the study “reported a continued preference to organize their work activities with others who were physically proximate despite the addition of [CMC]” (¶ 56).

Wellman, Salaff, Dimitrova, Garton, et al. (2008) explain, “Although groups supported by CMC often produce higher quality ideas, reaching agreement can be a lengthy and more complex process as the greater number of ideas and the lack of status cues hinder group coordination (Hiltz et al 1986, Kiesler & Sproull, 1992, Valacich et al 1993)” (p.6).

Without Internet communications, an international network of student journalists would be nearly impossible to achieve. For instance, student media and student journalism censorship cases would remain unknown for people outside their campuses, cities or countries if it wasn't for online resources.

The international network of student journalists will be an online social network that would interact through blogs, forums, e-mail, instant messaging, video chat, etc. These tools will shorten distances between students and form bonds that could not be possible otherwise.

However, it is important to consider the communication flaws in online social networks presented in this chapter, language barriers, and differences in technology usage and development among countries when designing communication strategies for the network.

The development of the global civil society and the growth of new digital social networks create an optimum basis for the establishment of an international organization of student journalists. The mission and objectives of this organization, which are explained in chapter 5, reflect philanthropic desires and hopes of change that define the nongovernmental sector. As it is explained in the proposal, the organization will not only look for the cooperation of student journalists worldwide, but of other nonprofits that have similar missions like defending freedom of press and to protecting journalists.

To understand the needs that organization must fulfill, a series of interviews were applied to student journalists and to members of nonprofits dedicated to the protection of journalists. The following chapter explains the methods used in this research.