What's God Got to Do with It?
Faith-Associated Differences among Nonprofit Organizations in International Development

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Recent policy initiatives have heralded the benefits of government contracting with faith-based organizations (FBOs), generating debates surrounding the role that religion plays in service provision (Chaves, 2002). President George W. Bush's first Executive Order was to create the Office of Faith-Based and Community Initiatives, and he has continued to use Executive Orders to increase the scale of faith-based initiatives since. One reason FBOs are thought to hold promise as service providers is their access to a large supply of committed workers who are able to reach recipients in ways that are different from other service providers. Policy makers also suggest that FBOs possess advantages as service providers due to greater compassion and creativity (Monsma, 1996). However, there is little evidence about whether, and in what types of services, FBOs may be more effective than other organizations (Scott, 2003). While both policy makers and scholars posit a relationship between faith identity and service provision by nonprofit organizations, a limited number of empirical studies have been conducted, and the results of these studies provide conflicting support for this claim (Cnaan & Boddie, 2001; Pipes & Ebaugh 2002; Reese & Shields, 2000). While some research indicates that there are few differences between religious and secular nonprofits, other research suggests that these differences are actually the opposite of those proposed by policy makers.[i] Additionally, there is conflicting evidence regarding the influence of public funding on service provision by faith-based and other voluntary agencies (Monsma, 1996; Reese & Shields, 2000).

Meanwhile, in spite of the fact that President Bush mandated that the United States Agency for International Development (USAID) expand religious nonprofits' access to its grants and contracts in 2002 (White House, 2002), little research has examined differences between faith-based and secular organizations in the context of international development. The vast majority of research on FBOs focuses on organizations operating within the United States, in spite of evidence that the nonprofit sector operates differently in the developing world (Anheier & Salamon, 1998; Clark, 1991; Fisher, 1998). Writings that document intensified interaction between religion, politics, and government outside the United States (Huntington, 1993; Marx,

2003) and the prevalence of religious conflict in many countries where USAID operates suggest that government funded projects of religious nonprofits deserve special attention.

This paper will examine faith-associated characteristics of nonprofit organizations working in the field of international development from both a quantitative and a qualitative standpoint. The paper will begin by presenting results from a quantitative study of FBOs and other community-based organizations included in USAID's Voluntary Agency (VolAg) reports (United States Agency for International Development, 2005), examining ways in which FBOs are different from other community-based organizations in terms of funding sources and types of services provided. This quantitative data will be complemented with evidence gathered through interviews with more than 100 staff members from international development nonprofit organizations during field research in Bosnia and Herzegovina, Lebanon, and Sri Lanka. While these three countries are not necessarily representative of other parts of the developing world, these cases help illuminate the important work of nonprofit organizations in contexts of ethnic and religious violence. Approximately one-third of the staff members interviewed work for organizations receiving at least some funding from USAID. The qualitative analysis presents information about relationships between FBOs and other community actors, perceived advantages of faith in service provision, and the role of religious identity and religious social networks in FBOs' selection of clientele.

Faith-Based and Community Organizations Desiring Funding from USAID- A Broad Overview

The goal of the first section of this paper is to provide empirical evidence of what differences exist between religious and secular nonprofit organizations in the context of international development, as well as the influence that public funding has on these organizations. The paper will specifically examine the degree to which religious identity influences the types of services an organization provides. It will also consider whether the amount of financial resources an organization has and the source of these resources is a determinant of characteristics of service provision.

- ***Quantitative Methodology***

Multinomial logistic regression models[ii] were used to analyze data from 461 U.S.-based organizations conducting projects in more than 160 developing countries. The data are derived from USAID's VolAg Report[iii] for the years 1998-2005, which contains financial data and organizational descriptions for more than 800 voluntary organizations seeking financial partnerships with USAID. In addition to using financial and service data from USAID, organizations were also coded based on religious identity. All coding was based on information that could be found on the organizations' web sites. Organizations were coded as either faith-based or secular, and when possible were coded by religious denomination as well. Organizations were identified as faith-based using a conservative approach; unless organizations explicitly mentioned their affiliation to a religious community or mentioned being inspired or motivated by a particular religious faith as part of their mission, they were coded as secular[iv]. A total of 124 organizations (26.9% of the sample) were coded as faith-based. The vast majority of these organizations (107, or 86.3% of FBOs) were coded as Christian (see Table 4). Due to the aforementioned conservative approach to coding, this may be an underestimation of the number of FBOs registered with USAID.

- ***Funding of Faith-Based Organizations: Are Partnerships Changing?***

In 2002, President George W. Bush issued an Executive Order that established Centers for Faith-based and Community Initiatives in USAID and the U.S. Department of Agriculture. The purpose of the Centers is to coordinate efforts to eliminate regulatory, contracting, and other obstacles to the participation of faith-based and other community organizations in the provision of services. Once created, the Centers were mandated to conduct agency-wide audits to identify and reduce all existing barriers that either discriminate against or otherwise discourage or disadvantage the participation of FBOs in the delivery of services (White House, 2002). However, USAID notes that it has partnered with FBOs since the early 1960's. It is interesting to examine whether Bush's Executive Order has had any practical impact on the degree to which FBOs partner with USAID in international development. The percentage of FBOs registered in USAID's VolAg Reports varied little during the eight years between fiscal year 1996 and fiscal year 2003, though the data used in this paper only present

three years following President Bush's Executive Orders, (see Table 5). While the stability in the number of FBOs registered in USAID's VolAg Reports is not an appropriate measure of changes in USAID's *funding* of FBOs, the figures are nonetheless interesting because they seem to indicate that, in spite of President Bush's Executive Order, there has not been a substantial increase in the number of FBOs seeking partnerships with USAID.

Registration with USAID does not necessarily mean that an organization receives grants or contracts from USAID. In fact, the majority of organizations in USAID's VolAg Reports did not receive USAID or other US government funding. Of those that did, a small percentage of organizations were faith-based (see Table 3). Meanwhile, FBOs received smaller USAID grants and contracts than secular organizations. Between 1996 and 2003 the mean size of USAID grants received by secular organizations was close to $3.5 million, while the mean size of USAID grants received by FBOs was approximately $1.75 million (see Table 6). The mean size of USAID contracts awarded to secular organizations was approximately $6.4 million dollars, versus $2 million dollars for FBOs (see Table 7).

- ***The Influence of Faith Identity on Service Provision***

The results of the statistical analysis indicate that an organization's self-identification as faith-based, (hereafter referred to as "faith identity"), is an important variable influencing choices regarding the types of services provided by nonprofit organizations. In fact, faith identity proved to be statistically significant more frequently than any other variable, and was statistically significant nearly twice as often as budget composition (41 occurrences versus 22 occurrences). As we can see from Table 8, faith identity seems to be associated with differences in the likelihood of choosing to work in particular service areas. Organizations with a faith identity were universally ***less likely to choose to provide environmental services*** when compared to organizations working in all other service categories, and this difference in likelihood was always statistically significant. In comparison to those organizations that selected to work in all service categories other than environment, those with faith identity were ***less likely to choose to work in the area of capacity building***. The difference in

likelihood was statistically significant when compared to all categories other than civil society. Organizations with a faith identity were ***less likely to choose to work in the area of civil society*** when compared to organizations working in all service categories other than capacity building and environment, and this difference in likelihood was often statistically significant.

In contrast, when compared to organizations working in all other service categories, FBOs were ***more likely to choose to work in the area of humanitarian assistance***. Except when compared to organizations working in agriculture and infrastructure, this difference in likelihood was statistically significant. When compared to organizations working in all service categories except humanitarian assistance, FBOs were ***more likely to choose to provide services related to infrastructure***. This difference in likelihood was only statistically significant when compared to capacity building and civil society (see Table 8).

Sources of funding also influenced organizations' choices (see Table 9). The percentage of an organization's budget that is derived from private revenue and other private financial support is significantly associated with the likelihood that an organization will choose to provide particular services. ***An increase in private revenue is associated with an increased likelihood that the organization will provide health services*** when compared to all service categories except education and environment. ***Total revenue and support was not significantly associated with differences in the likelihood of service choice*** in any of the models.

A Closer Focus on Faith-Based Organizations in Contexts of Conflict in the Developing World

While it is clear from the information above that faith identity influences choices regarding the types of services an organization provides, the quantitative data leave us to speculate about *why* and *how* faith identity causes differences in service provision. In order to better understand these differences, the second half of the paper will examine the influence of faith identity on attitudes toward service provision in three developing countries: Bosnia and Herzegovina, Lebanon, and Sri Lanka. While these countries are distinct and dissimilar in numerous ways, these cases were chosen because a shared history of religious conflict in each country makes faith identity a salient factor influencing service provision. More than 100 nonprofit staff were

interviewed from over 70 nonprofit organizations, including staff from Buddhist, Catholic, Druze, Interfaith or "spiritual", Orthodox Christian, Protestant Christian, Shiite Muslim, and Sunni Muslim FBOs, as well as secular community-based organizations (see Tables 10 and 11). The organizations included in the sample were first selected from USAID's VolAg Reports, and then this sample was heavily supplemented with additional organizations in an effort to increase the religious diversity of the sample[v]. A subset of organizations included in the qualitative portion of the study reported that they receive funds from USAID and/or other U.S. government agencies. The results of the study indicate that faith identity has an important influence on many aspects of the organizations' service provision. The paper will discuss organizations' relationships and partnerships with other actors in the community; the advantages employees perceive their faith as bringing to their service provision; and the role religious identity and religious social networks play in selecting clientele.

- ***Organizations' Relationships with Other Community Actors***

Interviews conducted while doing field research in Bosnia and Herzegovina, Lebanon, and Sri Lanka indicate that the organizations included in the sample have strong ties with other actors in their local communities and beyond. Interview participants were asked to describe the partnerships they have with others in the community, including financial relationships (such as giving or receiving funding from another entity), or other types of collaborative work. Staff members described many types of relationships with local and foreign governments, local nongovernmental organizations (NGOs), and international NGOs[vi] . As we can see in Table 12, the majority of individuals in the sample indicated that their organization has partnerships with government entities. ***Staff of faith-based organizations and secular organizations reported very similar levels of partnership with government entities*** (82.8% of FBO staff versus 86.8% of secular staff), with most of these partnerships taking place with local government agencies. The individuals in the sample indicated that their organizations have partnerships with other local and international NGOs even more frequently than with government. ***Staff more often reported partnerships with local NGOs than with international NGOs*** (96.9% versus 71.9% for FBO staff, and 100% versus 78.9% for secular staff)***,*** and ***staff of both faith-based and secular***

organizations reported these partnerships with similar frequency (96.9% of FBO staff versus 100% of secular staff reported partnerships with local NGOs, while 71.9% of FBO staff versus 78.9% of secular staff reported partnerships with international NGOs).

Staff from FBOs universally reported partnerships with local religious bodies such as churches, mosques, and temples. As I will discuss later, these partnerships with local grassroots communities can be particularly beneficial in international development, as has been noted by scholars of the nonprofit sector (Monsma, 1996; Nichols, 1988). Interestingly, there is a striking difference in the degree to which FBOs have partnerships with FBOs of their own faith, versus FBOs of other faiths. With the exception of Druze and interfaith/"spiritual" organizations, ***staff from FBOs reported partnerships with FBOs of*** **<u>their own faith</u>** ***much more often than they reported partnerships with FBOs of*** **<u>other faiths</u>** (56.3% reported partnerships with FBOs of other faiths, while 96.9% reported partnerships with FBOs of their own faith**.**) As I will discuss later, due to the prevalence in the developing world of a single NGO being the sole provider of specific services in its community, this lack of interaction between FBOs of different faiths may have important implications for individuals' access to services in low-income communities.

- ***Staff Perceptions of the Advantages of Faith***

In the United States, proponents of increasing faith-based service delivery argue that FBOs provide a desirable moral or spiritual component to service provision, and that services provided by FBOs are more effective due to staff and volunteers' more caring and supportive approach (Chaves & Tsitsos 2001; Ebaugh, Saltzman Chafetz & Pipes, 2005; Frumkin, 2002; Monsma, 1996; Sherman, 1995; Singletary & Collins, 2004). Numerous interview participants from FBOs in Bosnia and Herzegovina, Lebanon, and Sri Lanka felt that religious identity provided certain advantages to their organization. The advantages that interview participants most frequently mentioned included:

- ***less conflict and greater trust among FBO staff***
- ***less corruption/ more accountability***
- ***more individualized and compassionate service provision***

- ***more highly committed and motivated workers***
- ***more effective service provision due to church networks***
- ***more secure funding/ more flexible use of funding***

Several of these benefits, such as more individualized and compassionate service provision, and more highly committed and motivated workers, are often mentioned in the literature on FBOs in the United States. However, some of the benefits that were mentioned are not frequently discussed in the United States and seem to be especially important in the developing world. Some FBO staff believed that the fact that their organizations were funded in large part by their faith communities made them more financially secure than their secular counterparts and gave them greater flexibility in programming. This was attributed to less dependency on grant funding, which was paralleled by fewer restrictions on the use of funds. Particularly in Bosnia and Herzegovina and Sri Lanka, international Christian FBOs felt that their association with local church networks made them more effective in service provision due to their access to a large pool of individuals with connections in the community and expertise on local needs.

- ***Religious Identity and Religious Social Networks in the Selection of Service Recipients***

In all three countries, services were sometimes provided in houses of worship such as churches, mosques, and temples. ***Many staff from FBOs reported relying in part on religious networks, and particularly on religious leaders, when selecting service recipients.*** This frequently involved the FBO asking local bodies of worship to refer those individuals they felt were in need of services to the FBO's offices. Less frequently, FBOs had a policy of asking a religious leader such as an imam, monk, or priest to verify that an individual's claims regarding their personal needs were legitimate[vii]. These requests were almost exclusively made of religious bodies or religious leaders belonging to the same faith as the FBO[viii]. While these religious leaders and local bodies of worship undoubtedly have intricate and valuable knowledge of local needs, in the particular contexts of conflict where I conducted research this reliance on religious social networks often proved problematic.

Reportedly, community members at times were hesitant to approach other faiths for assistance, and feared retribution in the form of unfair denial of services.

In the case of the organizations I examined in Bosnia and Herzegovina, Lebanon, and Sri Lanka, ***FBOs were also likely to be exclusive in their service provision,*** (that is, provide services only to members of their own religious group), particularly if their religious group was one of the ethno-religious groups that had been involved in violent conflict in the region (see Table 13). This pattern becomes even more apparent if we solely examine local FBOs and exclude international FBOs from the sample (see Table 14). In this case, 71.4% of staff from local FBOs indicated that their organization only serves members of their own religious group[ix]. In order to know if this pattern is due to intentional exclusion or discrimination by FBOs, it would be necessary to survey potential service recipients in local communities. However, the staff members interviewed typically indicated that, while their organization was open to serving members of other faith communities, individuals of other faiths were reluctant to approach their organization for services due to lingering tensions and religious divisions following past conflicts.

In these three countries, it appears that ***nonprofit service provision is structured in such a way that it mirrors the existing ethnic and religious divisions in these societies***. While Bosnia and Herzegovina, Lebanon, and Sri Lanka are unique cases that may not reflect the situation in many parts of the developing world, it is important to be mindful of similar patterns that may exist in other contexts of conflict and be aware of the potential implications for exclusion from services in low-income communities. In the developing world nonprofit organizations often virtually replace state functions (van Tuijl, 1999), and demand for services tends to be higher than in the developed world (James, 1989). A single nonprofit organization is more likely to be the sole provider of a service in a particular community (van Tuijl, 1999). For example, in Bosnia and Herzegovina 66.7% of FBO staff (91.3% of secular staff) indicated their organization was the sole provider of some services, in Lebanon 90% of FBO staff (100% of secular staff) indicated their organization was the sole provider of some services, and in Sri Lanka 100% of FBO staff (100% of secular staff) indicated their organization was the sole

provider of some services. If an FBO is the sole provider of an important service in a context of conflict and members of other religious groups are unable to receive services, this can have important negative implications for individuals' ability to meet their basic needs, as also may shape community members' perceptions of the governments that fund FBOs.

Implications for Policy Makers and Practitioners

Based on findings from the three country cases, I have several suggestions for ways in which nonprofit managers, public donors and contractors, and private donors and contractors can encourage more inclusive service provision by NGOs in the developing world. These include encouraging relationships between local and international NGOs, increasing outreach and referrals among different ethnic and religious groups, initiating joint service provision by FBOs of multiple faiths, providing services in "neutral" locations with approval from "neutral" officials, and creating fair and balanced restrictions on proselytization.

- ***Encourage Relationships with International FBOs***

Evidence from Bosnia and Herzegovina in particular seems to indicate that the international NGO community has benefited the local NGO sector by providing models of professional, inclusive service provision and assisting with local NGO capacity building. In particular, the international Catholic FBO community's insistence that local Catholic FBOs serve other faith communities or risk losing funding from international Catholic organizations has helped to increase inclusive service provision in the local FBO sector. Continued and increased cooperation with international NGOs, and particularly international FBOs, may help to institutionalize a culture of inclusive service provision among local FBOs. These cooperative ties can be developed by both local and international nonprofit managers, and can be encouraged with financial incentives in contracts and donors' grant agreements. Given that local church networks were one of the most important faith-related benefits espoused by international FBO staff, increased cooperation undoubtedly will benefit international organizations as well due to local FBOs' grassroots connections and valuable local knowledge.

- ***Increase Outreach and Referrals among Different Ethnic and Religious Groups***

The majority of interview participants in all three countries, even from those FBOs that were exclusionary in their service provision, indicated that their FBO would welcome service recipients of other ethnic and religious groups. If this indeed is true, one strategy to decrease the risk of exclusion from services would be to encourage FBOs to 1) conduct outreach to members of other religious groups, and 2) refer their own clients to FBOs of different religions. This would be particularly valuable if the FBOs involved are sole service providers. Such activities could help correct for the comparative disadvantage some religious groups face as service providers[x].

Nonprofit managers could increase outreach and referrals in a variety of low-cost ways. One would simply be informing other FBOs of the services they have available and encouraging referrals; since many FBOs of different faiths reported belonging to local and national NGO councils that meet on a regular basis, these councils could serve as a venue for initiating such an outreach and referral process. Outreach also could be conducted through public awareness campaigns, though this might involve some cost to the organization. While already overstretched FBOs may be reluctant to increase their financial burden by including new service recipients from other faith communities, these costs as well as the costs of public awareness campaigns could be offset by incentives from private and public sector donors and contractors.

- ***Initiate Joint Service Provision by FBOs of Multiple Faiths***

Another strategy to encourage inclusion in FBOs would be to encourage cooperative service provision by FBOs of multiple faiths. This may have a number of practical advantages, such as allowing FBOs to pool resources and share each others' expertise. However, the specific advantages for increasing inclusion in service provision are three-fold. First, seeing providers of different faiths working together might make potential service recipients feel more assured that services are being provided without regard to religion, and therefore feel more comfortable seeking services from the FBOs. Secondly, such measures may have the potential to increase inter-group understanding and reconciliation by improving public perception of the religious groups

involved and providing a valuable example of interfaith cooperation. Third, providing services in the same physical location might create an environment of self-monitoring that could protect service recipients from evangelism[xi], as staff from one faith may be less prone to proselytize under the watchful eye of their colleagues from another faith. While organizations that have evangelism as a part of their mission may not be interested in hindering such activities, research indicates that in some cases front-line staff engage in proselytization to a much greater extent than managers are aware, even in organizations subject to USAID's legal guidelines prohibiting evangelism with U.S. government funds (Flanigan, 2007). For those organizations, joint service provision could prove to be a helpful preventive measure that would help ensure adherence to U.S. government regulations. Once again, these measures could be encouraged by donors and contractors though their funding requirements.

- ***Provide Services in "Neutral" Locations with Approval from "Neutral" Officials***

Particularly in the case of Sri Lanka, the interview data demonstrated that services were often provided in houses of worship, and service recipients' claims that they needed assistance were approved as valid by local religious leaders. Both of these dynamics seem to create an obvious risk of self-exclusion by potential service recipients who are not members of the FBOs' religious group. Potential service recipients may be particularly fearful of exclusion from services or evangelism if they must seek services in a house of worship different from their own. Individuals seeking assistance may avoid accessing these services because they believe services are only available to members of the congregation, they are apprehensive about asking another religious group for assistance, or they are fearful of attempts at conversion. Moving service provision to a location other than a house of worship could ease the minds of individuals seeking assistance. Admittedly, for smaller FBOs that lack alternative physical space, this is a change that may not be realistic.

Meanwhile, because religious congregations often have intimate knowledge of their own communities and individuals who are in need, it seems unreasonable to ask FBOs not to accept referrals from religious leaders. However, potential service recipients may fear exclusion from services if their claims are subject to the

approval of religious leaders from other groups. Especially in contexts of past religious conflict, potential service recipients may be fearful that religious leaders from other groups will deny their claims in retribution for the past acts of their fellow adherents. Removing the final power of approval from the hands of religious leaders would reduce the potential for exclusion when providing aid. Since most programs select their recipients based on predetermined needs-based criteria, it seems reasonable to request that an FBO staff member who is not a member of the clergy make a final determination of the validity of individuals' service needs. While there is no guarantee that FBO staff members would be less biased than members of the clergy, religious leaders are vested with much more symbolic power than staff members, and thus it is reasonable to expect that community members of other faiths will be somewhat less apprehensive about approaching FBO staff for services. Once again, these requirements could be emphasized and enforced by public and private funders.

- ***Creating Fair and Balanced Restrictions on Proselytization***

A final strategy that nonprofit managers can undertake to decrease self-exclusion and coercion in service provision is to create unambiguous organizational guidelines and prohibitions on proselytization, with clear consequences for violating these guidelines. FBOs often times are motivated by their faith to do "good works" and engage in service provision, and these organizations certainly are entitled to maintain their autonomy and determine their own activities. In many cases FBOs may have joint organizational goals of both evangelism and service provision. USAID and the Faith-Based and Community Initiative maintain that organizations are free to pursue their goal of evangelism, but also provide clear guidelines that U.S. government funded services cannot be accompanied by proselytizing and these two types of activities must be distinctly separated. While many organizations undoubtedly are careful to separate these two activities, the field work conducted in this study produced evidence of several cases where this guideline was not being observed. Research on child welfare NGOs in Romania presents evidence that frontline FBO staff from organizations receiving USAID funds are often much more actively engaged in evangelism than nonprofit

managers indicate is permitted within the organization (Flanigan, 2007), and a similar pattern seems to be evident in Bosnia and Herzegovina, Lebanon, and Sri Lanka. For those FBOs that genuinely desire to provide services in a non-coercive manner, clear guidelines on proselytization and regular reminders of these guidelines to frontline staff are essential for promoting an inclusive service environment and ensuring adherence to U.S. government guidelines.

Conclusion

The results presented in this paper provide evidence that FBOs indeed are different from other types of community-based organizations, in ways that may be both beneficial and problematic to communities in the developing world. The quantitative analysis of data from NGOs in more than 160 countries tells us that an organization's faith identity influences the choices it makes regarding service provision, and FBOs are more likely to be involved in humanitarian assistance and infrastructure services such as housing, transportation, and urban development. The interviews conducted in Bosnia and Herzegovina, Lebanon, and Sri Lanka show us that FBO staff believe their organizations' work benefits from their faith, citing advantages such as less conflict and greater trust among FBO staff, less corruption and more accountability, more individualized and compassionate service provision, more highly committed and motivated workers, more effective service provision due to church networks, and more secure and flexible funding. FBO staff benefited from their ability to draw on the expertise and social networks of local congregations and religious leaders when identifying community needs and selecting service recipients. FBO staff reported strong partnerships with other actors in their communities, and FBOs and secular NGOs were similar to one another in levels of reported partnership with government entities, local NGOs, and international NGOs.

However, other aspects of FBOs' work appear problematic for some communities in the developing world, particularly those plagued by past ethnic and religious conflict. While reporting fruitful partnerships with many community actors, FBO staff were less likely to report partnerships with FBOs of other faiths. High reliance on religious networks when selecting service recipients and reliance on religious leaders to verify

individuals' needs creates an environment where individuals of other faiths may be reluctant to seek services. Indeed, staff of local FBOs frequently reported that they provided services only to community members of the same religious group, causing nonprofit service provision to mirror existing societal divisions in many ways. While most FBO staff insisted they were open to serving individuals of other faiths, staff reported that community members of other religions did not approach their organization for services. As mentioned earlier, only a study focusing on the experiences of potential service recipients in local communities can determine whether this exclusion is based on FBOs' discriminatory behavior or potential service recipients' reluctance to seek services.

Luckily there are a number of low-cost measures that can preserve the many benefits of faith-based service provision while limiting problems that may arise when providing services in contexts of conflict. These include encouraging relationships between local and international NGOs, increasing outreach and referrals among different ethnic and religious groups, initiating joint service provision by FBOs of multiple faiths, providing services in "neutral" locations with approval from "neutral" officials, and creating fair and balanced restrictions on proselytization. As discussed above, many of these measures could be encouraged by USAID, other US government funders, and private donors and contractors through rules or incentives included in grant agreements and contracts.

Table 1: Number of Organizations from USAID VolAg Reports Providing Services

SERVICE	TOTAL NGOs	FAITH-BASED NGOs	% OF NGOs THAT ARE FBOs
Agriculture • Crop and Livestock Development • Food Security and Food Aid • Rural Development • Water and Sanitation	192	64	33.3%
Capacity Building • Institution Strengthening and Development • Network & Alliance Building • NGO Strengthening • Partnership Development	281	57	20.3%
Civil Society • Community Development • Conflict Management • Democratic Initiatives • Policy Advocacy • Women in Development	247	62	25.1%
Education • Basic Education • Clearinghouse • Girls' Education • Information, Education and Community Strengthening • Literacy • Nonformal Education • Training • Vocational Education	328	93	28.4%
Environment • Conservation • Ecology • Natural Resources	89	10	11.2%
Health • Basic Health • Child Survival • Family Planning • HIV/Infectious Disease • Neonatal Care • Nutrition	305	102	33.4%
Humanitarian Assistance • Commodity and Freight • Disaster Relief and Assistance • Refugee Assistance • Rehabilitation • Resettlement	186	79	42.5%
Infrastructure • Housing • Transportation • Urban Development	62	24	38.7%
Private Enterprise • Cooperatives • Credit Support • Financial Markets • Microenterprise • Small Enterprise Development	153	45	29.4%

Table 2: Number of Organizations in VolAg Reports Providing Services in Each Region

Region	Total NGOs	Faith-Based NGOs	% of NGOs that are Faith-Based
Africa	303	84	27.7%
Middle East/North Africa	156	52	35.6%
Asia	307	86	28%
Europe	179	58	32.4%
Latin America	284	83	29.2%
Oceania	20	5	25%

Table 3: Faith Identity and Funding Sources for Organizations in VolAg Reports

Organization	Receiving ANY public funding	MORE THAN 50% of budget from public sources
All organizations (n=461)	218 (47.3% of all organizations)	70 (15.2% of all organizations)
Faith-based organizations (n=124)	58 (46.8% of faith-based)	8 (6.5% of faith-based)

(Based on data from the 2005 VolAg Report, n=461)

Table 4: Faith Identity of Organizations in VolAg Reports

Faith Identity	Number
Secular	337
Faith-Based	124
• Christian	• 107
• Muslim	• 2
• Jewish	• 5
• Jain	• 1
• Hindu	• 1

(Numbers for religious denominations do not add up to 124 because some organizations indicated they had a religious or spiritual mission but the specific religious denomination with which the organization was affiliated was not clear.)

Table 5: Number of Faith-Based Organizations Registered with USAID 1998-2005

VolAg Report	Total Organizations	Faith-Based Organizations	Percentage Faith-Based	President Bush's Executive Orders
1998 (FY 1996)	299	80	26.7%	
1999 (FY 1997)	324	90	27.7%	
2000 (FY 1998)	345	93	26.9%	
2001 (FY 1999)	355	96	27.0%	
2002 (FY 2000)	349	93	26.6%	
2003 (FY 2001)	385	101	26.2%	Establishing Office of Faith-Based and Community Initiatives
2004 (FY 2002)	444	121	27.3%	Extending Faith-Based Initiative to USAID
2005 (FY 2003)	461	124	26.9%	

Table 6: USAID grants to Faith-Based and Secular Organizations

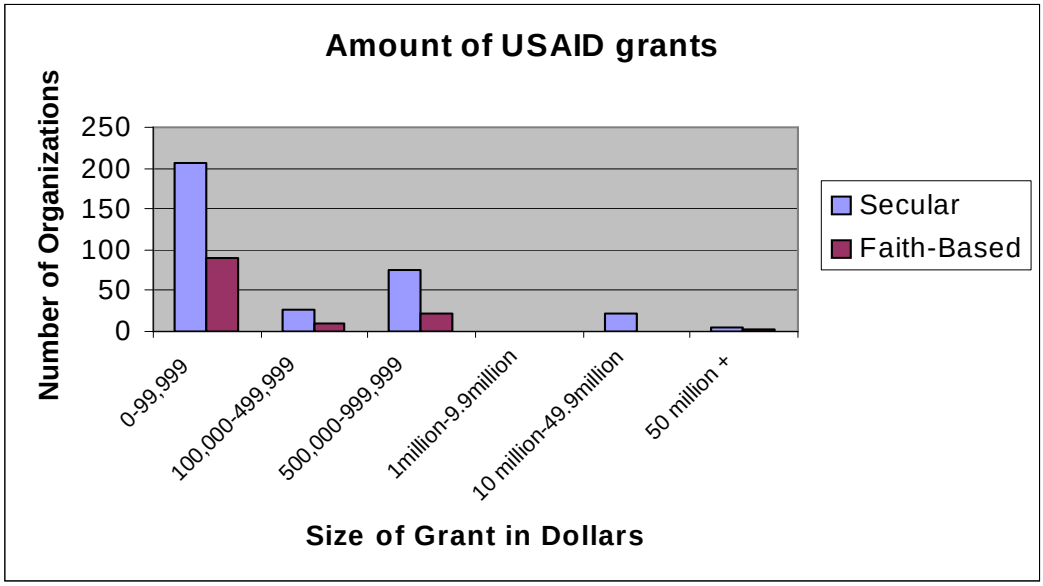

Table 7: USAID Contracts with Faith-Based and Secular Organizations

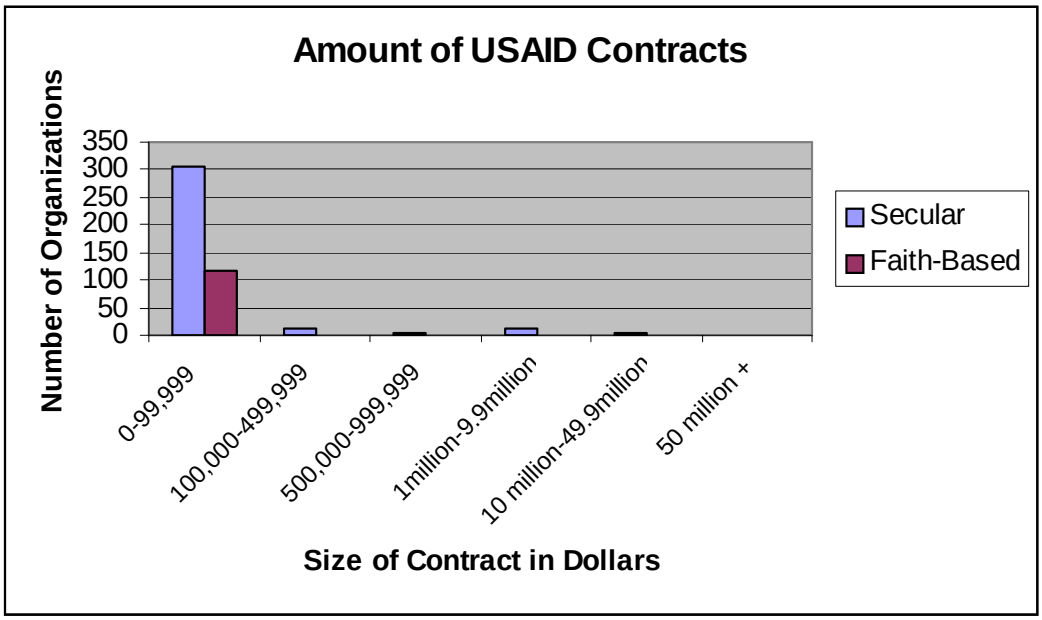

Table 8: Likelihood of Providing a Service When an Organization is Faith-Based

	When compared to organizations working in:								
	Agriculture	*Capacity Building*	*Health*	*Humanitarian Assistance*	*Civil Society*	*Infrastructure*	*Education*	*Private Enterprise*	*Environment*
Service Category Choice									
Agriculture		0.740**	0.138	-0.433*	0.458*	-0.229	0.264	0.107	1.476**
Capacity Building	-0.740**		-0.597**	-1.16**	-0.278	-0.966**	-0.472*	-0.628**	0.739*
Health	-0.141	0.598**		-0.572**	0.319	-0.368	0.125	-0.031	1.337**
Humanitarian Assistance	0.428	1.168**	0.572**		0.891**	0.203	0.697**	0.541*	1.909**
Civil Society	-0.462*	0.277	-0.319	-0.891**		-0.687*	-0.193	-0.350	1.018**
Infrastructure	0.219	0.960**	0.368	-0.203	0.687*		0.494	0.337	1.706**
Education	-0.269	0.470*	-0.125	-0.697**	0.193	-0.494		-0.156	1.212**
Private Enterprise	-0.104	0.635**	0.031	-0.541*	0.350	-0.337	0.156		1.368**
Environment	-1.481**	-0.741*	-1.337**	-1.909**	-1.018**	-1.706**	-1.212**	-1.368**	

*5 percent significance level; **1 percent significance level

N=1,769 (When using multinomial logistic regression, each choice is an observation; hence there are far greater observations that organizations in the sample)

Note: When a particular service is used as the base category in a model, no coefficient or significance level is reported for that service

Table 9: The Significance of Private Revenue in the Likelihood of Service Choice

Service Category Choice	When compared to organizations working in:								
	Agriculture	*Capacity Building*	*Health*	*Humanitarian Assistance*	*Civil Society*	*Infrastructure*	*Education*	*Private Enterprise*	*Environment*
Agriculture			-0.008*						
Capacity Building			-0.013**				-0.006*		
Health	0.008*	0.013**		0.011**	0.008*	0.017**		0.015**	
Humanitarian Assistance			-0.010**						
Civil Society			-0.008*					0.008*	
Infrastructure			-0.017**				-0.011*		
Education		0.006*				0.011*		0.009**	
Private Enterprise			-0.016*		-0.008*		-0.009**		
Environment			-0.010*					0.010*	

*5 percent significance level; **1 percent significance level

N=1,769 (When using multinomial logistic regression, each choice is an observation; hence there are far greater observations that organizations in the sample)

Note: When a particular service is used as the base category in a model, no coefficient or significance level is reported for that service

Table 10: Field Research Sample- Interview Participants by Type of NGO

	Total Number of Interview Participants	**From FBOs**		**From Secular NGOs**	
		Number	Percent of sample	Number	Percent of sample
Local NGOs	73	47	46.1%	26	25.5%
International NGOs	29	17	16.7%	12	11.8%

Table 11: Field Research Sample- FBOs by Faith Denomination

		Local NGOs		**International NGOs**	
	Total Number of Organizations	Number of participants	Percent of FBO participants	Number of participants	Percent of FBO participants
Christian	33	17	26.6	16	25.0
Muslim	17	16	25.0	1	1.6
Buddhist	6	6	9.4		
Interfaith or "spiritual"	5	5	7.8		
Druze	3	3	4.6		

Table 12: Interview Participants' Reported Cooperation with Community Actors

NGO CATEGORY		***Faith-Based***	Buddhist	Christian	Druze	Muslim (Shiite and Sunni)	Interfaith/ "Spiritual"	***Secular***	**TOTAL**
ORIGINAL SAMPLE OF PARTICIPANTS		***64***	6	33	3	17	5	***38***	**102**
REPORTED COOPERATION WITH:									
Government Entities	***Number***	***53***	5	26	3	15	4	***33***	**86**
	%	***82.8%***	83.3%	78.8%	100.0%	88.2%	80.0%	***86.8%***	**84.3%**
Other local NGOs	***Number***	***62***	4	33	3	17	5	***38***	**100**
	%	***96.9%***	66.7%	100.0%	100.0%	100.0%	100.0%	***100.0%***	**98.0%**
International NGOs	***Number***	***46***	4	26	0	12	4	***30***	**76**
	%	***71.9%***	66.7%	78.8%	0.0%	70.6%	80.0%	***78.9%***	**74.5%**
FBOs of Other Faiths	***Number***	***36***	3	18	3	7	5	***N/A***	**36**
	%	***56.3%***	50.0%	54.5%	100.0%	41.2%	100.0%	***N/A***	**35.3%**
FBOs of Same Faith	***Number***	***62***	6	31	3	17	5	***N/A***	**62**
	%	***96.9%***	100.0%	93.9%	100.0%	100.0%	100.0%	***N/A***	**60.8%**

Table 13: Influence of Identity on Service Provision- Full Sample (n=102)

	Influence of Identity on Service Provision			
	Excludes Other Identity Groups		Includes Other Identity Groups	
Identity of NGO	*Number of participants*	*Percent of participants*	*Number of participants*	*Percent of participants*
Conflict-Associated	31	55.4%	25	44.6%
Not Conflict-Associated	9*	19.6%	37	80.4%

* This figure captures international NGO staff that may not be members of the groups involved in the local conflict, but are influenced by their own faith identity. For example, evangelical Christians in Lebanon, while not members of the local Christian denominations involved in Lebanon's civil war, are nonetheless highly influenced by their own Christian faith.

Table 14: Influence of Identity on Service Provision- Local FBOs (n=47)

	Influence of Identity on Service Provision			
	Excludes Other Identity Group		Includes Other Identity Groups	
Identity of NGO	*Number of participants*	*Percent of participants*	*Number of participants*	*Percent of participants*
Conflict-Associated	30	71.4%	12	28.6%
Not Conflict-Associated	0	0%	5	100%

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[i] While policy makers often describe faith-based organizations as more involved and compassionate service providers, researchers such as Ebaugh et al (2005) and find that faith based organizations are less likely to engage in services that require long term, intensive interaction with service recipients.

[ii] Service characteristics were conceptualized as choices made by each organization. Due to the influence of independent variables such as identity, funding source, and total revenue, an organization makes a choice to provide a particular service or to do work in a particular region of the world. Due to this conceptualization of the relationship between the variables, multinomial logistic regression models were used to analyze the data. Because of problems of irrelevance of independent assumption associated with this statistical technique, both service choices and country choices were analyzed in aggregate categories. In the case of service choices, the aggregate categories shown in Table 1 were used. In the case of country choices, the world regions shown in Table 2 were used. Each model was run multiple times, using each service category and each region as the base category in at least one model.

The models were designed in two ways. Identity, total revenue and support, the percent of an organization's budget that was derived from private sources, and category of service provision were considered as independent variables that might influence an organization's choices about where to work. Similarly, identity, total revenue and support, the percent of an organization's budget that was derived from private sources, and region of operation were considered as independent variables that might influence an organization's choices about what services to provide. In other words,

Region choice= *f* (faith identity + total revenue and support + percent public support + services provided), and

Service choice= *f* (faith identity + total revenue and support + percent public support + regions of operation).

[iii] The VolAg Reports contains information from the organizations' audited financial statements, and the USAID web site provides information about the services organizations provide and the countries in which they work. Registration is a prerequisite to applying for grants or contracts with USAID, so while organizations may have other motivations for registration, it is reasonable to assume that most organizations registered are interested in receiving public funding. Therefore, while this sample may not reflect all nonprofit organizations engaged in international development, I believe it is representative of an important subset of organizations that desire financial partnerships with government. However, not all organizations were receiving public funding at the time of registration. In fact, the majority of organizations were not receiving any revenue from public sources (see Table 3).

[iv] There is some debate in the academic literature on the definition and identification of faith-based organizations (FBOs). Due to the complexities of the debate and the lack of consensus in the academic community regarding classification of FBOs, I categorized organizations as FBOs based on the organization's present-day self-identification as faith-based or secular. For more information on this debate, refer to De Vita & Wilson, 2001; Ebaugh et al., 2003; Jeavons, 1998; Search for Common Ground, 2002; Smith & Sosin, 2001; and Unruh, 2001.

[v] As mentioned earlier, more than 86% of the faith-based organizations registered with USAID and included in the VolAg reports were coded as Christian. As such, it was important to draw upon other non-USAID affiliated organizations in an effort to observe differences that may occur among organizations of different religions/religious denominations.

[vi] In this paper, "international NGOs" refers to organizations that operate in multiple countries including the local country, but were not founded in the local country.

[vii] Asking local religious leaders to "certify" the validity of individuals' personal needs was particularly common in Sri Lanka in the distribution of tsunami relief. For example, if an individual informed the FBO that he/she had lost a boat, a home, or fishing equipment in the 2004 Asian tsunami, a local religious leader would often be asked to verify that the individual had indeed owned a boat (or home, or equipment) prior to the disaster.

[viii] An exception to this was the case of Buddhist FBOs in Sri Lanka, who often accepted referrals from any religious body and asked for assistance from religious leaders of other faiths.

[ix] It is important to note that under the Faith-Based and Community Initiative organizations cannot discriminate against beneficiaries when providing services with U.S. government funds; nonetheless, in multiple instances staff of organizations receiving USAID funding reported engaging in potentially exclusionary activities such as overt evangelism.

[x] Particularly in Bosnia and Herzegovina and Lebanon, it was apparent that due to differences in financial resources and expertise, some FBOs were much better equipped to serve their communities than FBOs from other religious groups. For example, staff from larger Catholic organizations and from Shiite organizations associated with Lebanon's Hizballah had a great deal more resources than many other groups, and as such offered a broader spectrum of more sophisticated services to members of their faith community.

[xi] Several interview participants, including some from organizations receiving U.S. government funding, indicated that evangelism is an explicit goal of their organization. This has created a great deal of discontent in some communities, particularly in Sri Lanka. In Sri Lanka, efforts to prohibit FBO evangelism have become a national political issue, and anti-

conversion legislation targeting FBOs has been proposed in the Sri Lankan Parliament. For additional information on the conflict surrounding religious conversion and NGOs in Sri Lanka see Balachanddran, 2004; DeVotta, 2005; Philipson & Thangarajah, 2005; Renner, 2006; Parliament of Sri Lanka, 2004; Thiagarajah & Ropers, 2005; United States Department of State, 2005; Wanigaratne, 1997.