Nonprofits, governance arrangements, and outcomes for society in Brazil

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NONPROFITS, GOVERNANCE ARRANGEMENTS,
AND OUTCOMES FOR SOCIETY IN BRAZIL

by

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Preface

Parts of this dissertation appeared before in single-authored articles. Chapter 2 of this dissertation presents a modified version of the essay "What Influences the Location of Nonprofit Organizations? A Spatial Analysis in Brazil." The peer-reviewed journal VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations published this essay in its issue 27, number 3, pages 1064-1090, 2016. The editors of VOLUNTAS authorized the inclusion of the article’s modified version in this dissertation. This authorization follows as appendix A.

Chapter 3 of this dissertation presents a modified version of the essay "Assessing government-nonprofit collaborations and density of nonprofit organizations in Brazil." This essay is published in the peer-reviewed journal Revista de Administração Pública 51.3 (2017). The editors of Revista de Administração Pública authorized the inclusion of the article’s modified version in this dissertation. This authorization follows as appendix B.
Abstract

This dissertation analyzes the contribution of nonprofit organizations to society. The main goal is to discuss through which conditions nonprofits present beneficial results to society, exploring mainly the alternatives of collaboration with the government or a more autonomous action. Using data from Brazil, the first essay discusses nonprofit location. Despite great regional variation, the previous density of nonprofits existing in a municipality has a stronger positive effect that is larger than the effects of social needs or resources available in explaining why new nonprofits choose to locate in certain sites. The second essay analyzes the effect of nonprofits on the variation of human development and income inequality, both when these organizations work autonomously and when they collaborate with the government. Collaboration is negatively associated with variation in income inequality, but the same negative association also happens with the Human Development Index (HDI), composed of health, income, and educational variables. Nonprofits from different fields of activity may have beneficial or detrimental associations with human development and inequality. A qualitative analysis identifies, in the third essay, the organizational, relational, and contextual factors influencing nonprofit action and, therefore, their outcomes when working autonomously and when collaborating with the government. The third essay concludes with typical paths of success or failure, which may support nonprofits in making decisions towards their intended results. The dissertation overall contributes to a better understanding of governance and nonprofit action. Specifically, it shows that nonprofits working autonomously or in partnership with the government do not always improve society, and that certain conditions contribute to generate positive outcomes. The dissertation also highlights the diversity of nonprofits in Brazil, revealing which nonprofit arrangements should be a priority for individuals and organizations aiming for distinct goals.
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No matter how many people had warned me in advance: achieving the PhD was more challenging than I had expected. The PhD was enriching, and there were moments of great joy, but there were also many obstacles in this path. Getting to the end of this process was only possible with the help, support, and encouragement of some great people.

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1. Introduction

Partnerships between governments and the private sector often appear in political discourses as innovative solutions to various collective problems. During the 1970s and 1980s, the economic reforms introduced by Ronald Reagan and Margaret Thatcher proposed privatizations and different mechanisms of public-private partnership (Miraftab 2004). Governments around the world promoted collaborations with different private entities, including nonprofit organizations, increasing the number and importance of these arrangements during the 1990s and 2000s (Harvey 2007). The concept of governance became popular as a reference to collaborative arrangements in various domains of public policy (Milward and Provan 2000; Offe 2009). After decades of experiences, there are still politicians, governments, and private sector leaders proposing cross-sector partnerships as the solution to all sorts of collective problems. In short, for several decades, public-private partnership and collaboration prevailed as unquestioned policy recommendations. Is there evidence to support these high expectations about partnerships between governments and private organizations? Is society always better off when the different sectors work collaboratively? Alternatively, might there be neglected benefits stemming from each sector working autonomously?

This research contributes to the debate by analyzing how nonprofit organizations behave and affect society by working either autonomously or by collaborating with the government. Previous studies argue that nonprofits may have social, economic, political and communicative contributions to society (Enjolras 2015). Authors also claim that collaboration between nonprofits and governments lead to better outcomes for society than when each sector works alone (Milward and Provan 2000; Salamon and Toepler 2015). On the other hand, there are studies showing that cross-sectorial arrangements lead to co-optation by removing nonprofits’ bonds with communities
and by changing the profile and impact of these organizations (Smith and Lipsky 1993; Mosley 2012). Considering these conflicting arguments, it is important to ask the following questions: What conditions lead either nonprofit action or government-nonprofit collaboration to have a positive impact on society? What exactly differentiates the societal contribution of autonomous nonprofit action versus collaborative nonprofit action? This research contributes to the debate by examining, first, which societal characteristics influence the location of nonprofit organizations across sub-national units (Essay 1 in Chapter 2). This analysis intends to verify what motivates and drives nonprofit action. The second and third essays are assessments on how nonprofits contribute to society by working autonomously and by collaborating with the government. In the second essay (Chapter 3), a quantitative analysis tests the influence of nonprofits on human development and income inequality across Brazil’s 5562 municipalities from 2000 to 2010. The third essay (Chapter 4) is a qualitative study that leverages personal interviews and archival evidence to identify factors influencing the success of nonprofit action and government-nonprofit collaboration. These three essays reveal complementary aspects of the relationship between nonprofit action, governance, and societal outcomes in Brazil. To be clear, the first essay explores nonprofits’ motivations, the second essay identifies their results in different arrangements, and the third essay analyzes which elements and combinations matter to explain nonprofits’ positive or negative impact on society. Before summarizing the main findings, the next subsection presents basic facts about the nonprofit sector in Brazil that support all three essays in this dissertation.

1.1. Nonprofit organizations in Brazil

In 2010 there were more than 290,000 nonprofit organizations in Brazil, employing 2.1 million people (IBGE 2010). Despite the aggregate numbers and a history that started with
Catholic organizations more than one century ago (Landim et al. 1999), the nonprofit sector in Brazil is still incipient if compared to countries such as the United States, where the number of nonprofits reach more than 1,500,000 organizations (NCCS 2016). That is, comparing these numbers to the population of 2015, Brazil has approximately 1.39 nonprofits per 1,000 residents, while the United States have 4.66 nonprofits per 1,000 residents. Besides, in 2010, one quarter of Brazilian municipalities\(^1\) had no more than seven nonprofit organizations each.

Terminology is a constant debate in this field. Here, the term nonprofit refers to organizations that are private, not-for-profit, formal, have an independent management, and are voluntary (IBGE 2010). This concept excludes, therefore, social movements and other informal groups commonly included in the term civil society organizations (CSOs), commonly mentioned by Brazilian practitioners. Social movements are not formal organizations, but they often work closely related to a nonprofit organization through which it contracts with other organizations. Civil society organizations, therefore, is a broader term that refers to nonprofits, social movements, and other groups such as cooperatives. This dissertation mentions explicitly each group when needed.

The most prominent fields of nonprofit activity in Brazil are also distinct from other countries. While in the United States areas such as education, health and human services gather the largest number of nonprofits (Boris 2006), in Brazil these fields are less dominant, possibly due to a large presence of the government as direct provider of these services. However, as evident in chapter 4, several nonprofits registered as religious groups are important providers of health, education, and social welfare in Brazil. Additionally, the growth of nonprofit organizations in

\(^{1}\) Brazil has 5,570 municipalities in 2015. The quantitative analyses in chapters 2 and 3 do not consider the 6 municipalities created since 2010 and the islands of Fernando the Noronha and Ilhabela. These islands are not relevant in terms of population and cannot be easily included in the spatial analyses (Anselin and Rey 2014).
Brazil is unequal across different fields of nonprofit activity. Figure 1 presents the number of Brazilian nonprofits per official field of activity.

**Figure 1 - Brazilian nonprofit organizations per field of activity in 2010**

Source: Created by the author, based on data officially requested to the federal government

Religious organizations, professional associations, advocacy groups and cultural organizations constitute more than 70% of Brazilian nonprofits. Religious organizations include all kinds of churches and temples, as well as associations or congregations that promote religious beliefs and support communities through service provision (IBGE 2010). Brazil has the highest number of Catholics in the world, but over the last decades there was a rapid increase in evangelical churches (Garmany 2013). Religious nonprofits grew in the 2000s on a higher rate than any other group of nonprofits (IBGE 2010). Professional associations involve three kinds of organizations:

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2 The areas of activity considered here follow the official register of the organizations for fiscal purposes in Brazil. Several authors have pointed out, however, that nonprofits often develop activities simultaneously in several of these areas (Almog-Bar and Schmid 2013)
associations of farmers are the biggest group, followed by associations of other specific professions – focused also on sharing information, establishment of norms and dialogue with the government – and, finally, associations of employers (IBGE 2010). Advocacy groups, in the Brazilian classification, include neighborhood associations, community centers, associations of rural development, nonprofit organizations focused on training and employment, and associations representing specific groups (IBGE 2010). While professional associations follow a more traditional role of representation, based on professional identification, advocacy groups include a mix of organizations that deal with a more diverse sense of identity, such as nonprofits dealing with the LGBT or immigrant communities. Nonprofits working with advocacy grew in Brazil especially in the 1990s, a period coincident with the “golden age of international cooperation”, when Brazil was the country receiving most funding from European aid agencies (Biekart 2014, 86). Finally, cultural nonprofits are organizations working with all kinds of arts and culture, including associations and clubs focused on sports and recreation (IBGE 2010). Certainly, in each of these fields of activity there is still a great variety of organizations. For instance, nonprofits working with arts may follow logics distinct from the ones followed by sports nonprofits, but the data available for this research merge them in the cultural field of activity. Despite the persistent internal variation, breaking the analysis of nonprofit location by fields of activity enables the identification of meaningful distinctions among these groups, such as a higher concentration of nonprofits in more developed areas of the country, as detailed below.

Figure 2 presents clusters of nonprofits per 10,000 residents, considering each of the four main fields of nonprofit activity in Brazil. There are important differences in how nonprofits from different fields cluster regionally. These maps use values of local indicators of spatial association (LISA). LISA values indicate the direction and strength of the association between the value of a
variable in a focal unit and the average value of that variable among its neighboring units (Anselin 1995). In this manner, if the number of nonprofits per 10,000 residents in Brazilian municipalities were randomly distributed, these maps should be blank, indicating no association between the density of nonprofits in any given unit and the average density among its neighbors (i.e., no clustering). There are, however, grey areas (low-low clusters) indicating that these municipalities have a lower density of nonprofits than the global average, and are surrounded by neighboring municipalities that, on average, have a lower than average density of nonprofits. In addition, the black spots (high-high cluster) indicate municipalities in which the rate of nonprofits from that area of activity is higher than the global average, and the neighboring municipalities likewise have a higher than average density of nonprofits from that same area of activity.
Figure 2 - LISA cluster maps - main fields of nonprofits in Brazil

Source: Created by the author, based on data officially requested to the federal government

The maps from figure 2 indicate that nonprofits from different fields of activity present distinct clusters across Brazilian regions. The Southeast, which is wealthier, more industrialized, and more populated than other regions, has high-high and low-low clusters for all four groups of nonprofits, although with fewer clusters for cultural organizations.

The Northeast is the second most populated region in Brazil, in addition to being an area with some of the poorest municipalities. In this region, there is a strong presence of advocacy groups and, more prominently, professional associations, which in most cases are associations of
small farmers. Despite the known religiosity and cultural expressions common to the Brazilian Northeast, there is a low concentration of religious and cultural nonprofits in this area. This could be partially because informal groups are not included in this study.

The South is a region with higher development, a strong influence of European immigrants, and ranks third among the Brazilian regions in terms of population. In this region, there are high-high clusters of nonprofits from all four main fields of activity, with a bigger area of high-high clusters of cultural organizations.

The Center-West, which has a strong agricultural activity, and the North – the largest region, and where the Brazilian Amazon forest locates – are less populated and have a smaller number of nonprofits. There are almost exclusively low-low clusters of nonprofit activity in these regions, except for some clusters of religious organizations in the Center-West and professional associations in both regions.

The LISA maps suggest that distinct characteristics influence the location of distinct kinds of nonprofits. Having these general characteristics in mind, the remainder of this introduction summarizes the main findings and implications of this dissertation.

1.2. Summary of findings and implications

The first essay seeks to explain what motivates the creation of nonprofit organizations. Therefore, the first essay asks why nonprofits locate in some places but not in others, examining the importance of community needs, available resources, and the existence of similar organizations. Specifically, this essay analyzes how the characteristics of 5,562 Brazilian municipalities in the year 2000 help to explain the location of nonprofits formed between 2001 and 2010. Based on geographically weighted regressions, results indicate that neither access to
resources nor poor socioeconomic indicators are powerful influences on nonprofit location in Brazilian municipalities. Rather, the main predictor of nonprofit entry is a high pre-existing density of nonprofits in that area. These findings vary across regions and nonprofit fields of activity. Poverty in the South of Brazil, for instance, is associated with less cultural nonprofits and more professional associations being created in this area. In addition, while for most field of activities, nonprofits are attracted by a previous higher rate of other nonprofits active in each area, this effect only happens to religious nonprofits in small parts of the country.

Cutting against dominant expectations in the literature on nonprofit action and motivations, these results suggest that nonprofits in general do not base their actions primarily on societal or community needs; instead, nonprofit location is primarily associated with the pre-existing presence of other nonprofits, suggesting a key motivation for location is organizational or strategic. This evidence suggests that prosaic concerns related to accessing resources and other connections are at least as important as each community need when nonprofits decide where to establish their activities. This is also aligned with the argument that nonprofits may be more interested in promoting particular interests than broader societal improvement (Armony 2004). This evidence contradicts the belief that nonprofits are inherently good and, therefore, should be preferential partners for governance arrangements.

With this understanding of why nonprofits choose to work in certain communities but not in others, the second essay asks, once nonprofits do locate somewhere: What are the societal consequences of nonprofit activity? Do they improve societal outcomes? Specifically, this essay investigates the effects of nonprofit organizations – based on their density and on their partnerships with the government – on the variation in human development and income inequality in Brazil from 2000 to 2010. Potential improvements in human development and in reducing inequality are
among the commonly cited benefits of nonprofits (Enjolras 2015). This research tests the hypotheses that government-nonprofit collaborations result in improved human development, and that nonprofits from fields of activity closely related to service provision improve human development, while nonprofits from fields closer to expressive roles reduce income inequality in each municipality. Also using a dataset with all Brazilian municipalities, ordinary least squares regressions and spatial models enable the identification of specific effects occurring across different regions. Collaboration is measured using data on contracts between the federal government and nonprofits in each Brazilian municipality. Results show that the proportion or density of contracts between the federal government and local nonprofits is associated with a decrease in income inequality, but is also associated with a significant reduction of human development. There is great variation, however, among the effects of nonprofits from different fields of activity and distinct areas of the country on human development and inequality. Particularly, while nonprofits from most fields of activity have a detrimental association with human development and are not associated with inequality, professional associations are the only type of nonprofits associated with lowering inequality and improving human development. Again, these results suggest caution when considering potential benefits of government-nonprofit arrangements. The detrimental association between government-nonprofit collaborations and human development suggests that other forms of service provision, such as autonomous services provided by government or nonprofits in education, health, and income generation, may be presenting better results. On the other hand, the positive effects of these cross-sector collaborations on inequality reveal that structural changes may be happening when nonprofits and government work together.
The final essay builds on the results from the two previous studies but shifts to a more in-depth, qualitative analysis of nonprofits’ outcomes. Results from the previous essays suggest that neither nonprofits working autonomously, nor government-nonprofit partnerships, are always beneficial for society. Negative results for society may occur despite nonprofits’ good intentions. There is great variation, however, and nonprofits can benefit society in some cases. The third essay relies on semi-structured interviews with nonprofit leaders that represent the third sector at large in Brazil, and that are experienced in both autonomous and collaborative action, in order to understand: (1) What factors influence the relationship between nonprofit action and societal outcomes? And: (2) How are these factors different when nonprofits work autonomously and when they collaborate with the government? Organizational, relational, and contextual factors affect nonprofits’ outcomes for society. This essay identifies paths that typically lead to success and failure when nonprofits work autonomously and when they collaborate with the government. Access to resources and good management typically relate to a higher capacity to achieve nonprofits’ intended outcomes. In addition, funding from certain sources such as international cooperation comes usually with less strings attached, enabling more autonomous action, which result in innovative projects. Government-nonprofit collaborations achieve better results when there is a pre-history of collaboration among the actors, a context of political stability, and when nonprofits are less dependent on government funding.

This dissertation has implications for researchers and practitioners. Academic fields of nonprofit studies and public administration have researched the impact of nonprofits on society and different features of government-nonprofit collaborations for a long time. Theories such as transaction cost economics and new institutional economics (Williamson 2000) debate when and how organizations – including the government – should integrate activities hierarchically or buy
goods and services in the market. This research brings relevant information about nonprofits’ motivations and actual impact on society in different contexts for this analysis. Similarly, analysis of social capital and civic engagement propose that nonprofits have a major role for societal improvement (Putnam, Leonardi, and Nanetti 1994). The generalized assumption about the benefits of nonprofits and their collaboration with the government is rarely tested. This research offers, for academics and practitioners, two explicit tests of this relationship and finds that nonprofits are not necessarily committed to social good, and that there is always an alternative to collaboration, which is not to collaborate. When not collaborating with the government, nonprofits’ contribution may be even higher to society, if they develop innovative solutions for collective problems using funds from international cooperation, for instance. Nonprofits may choose to work autonomously or with other partners different from the government. I will return to these points along the dissertation, but a pragmatic goal in the three essays presented here is to help nonprofits considering which path to choose according to their sources and levels of funding, their connections with other organizations, and the state of their management.

Chapters 2, 3, and 4 present the three essays at the core of this dissertation. Concluding this dissertation, chapter 6 integrates the results, expands the debate about their implications, and presents limitations and suggestions for future studies.
2. Essay 1: What influences nonprofit location?

What attracts nonprofits to certain areas? Previous studies on this topic present two main explanations: that community needs influence this decision, and that these organizations are established where there are more resources available for their action (e.g. Grønbjerg & Paarlberg, 2001; Fruttero & Gauri, 2005; Peck, 2008; Brass 2012; Yan, Guo, & Paarlberg, 2014). Other relevant factors, such as demographic characteristics (Bielefeld, Murdoch, & Waddell, 1997; Grønbjerg & Paarlberg, 2001; Yan et al., 2014), generosity and political culture (Bielefeld 2000), political influence (Brass 2012), or complementarities with other nonprofit actions (Fruttero & Gauri, 2005) appear as possible explanations for nonprofit location as well. Nevertheless, these previous studies present conflicting results and do not explain the reasons for such variation. In addition, studies of nonprofit location focused mostly on the United States and are, to my knowledge, unprecedented in Latin America. This essay addresses these limitations in two ways: 1) by discussing differences among influences on the location of the four most common groups of nonprofits in Brazil, and 2) by analyzing regional differences in the influences of nonprofit location in Brazil; i.e. I aim to discuss why nonprofits with different services and activities are in different places. Specifically, I investigate if socioeconomic needs, available resources, and the density of nonprofits previously established in all 5,562 Brazilian municipalities in the year 2000 affected the creation of nonprofits between 2001 and 2010 in these localities. Policy makers, nonprofit entrepreneurs, and donors can benefit from this investigation by better understanding why nonprofits with different programmatic emphases locate in different parts of Brazil.

Scholars from different academic fields argue that nonprofits are increasingly part of governance arrangements with governments (Salamon, 1987; Milward and Provan 2000; Boris 2006). Knowing where nonprofits are located and how to promote the development of new
nonprofits is important in order to decide if these organizations can be part of arrangements that aim to solve complex social issues (Fruttero & Gauri, 2005; Yan, Guo, & Paarlberg, 2014). High nonprofit density increases the public awareness of the sector and the confidence in nonprofit performance (McDougle & Lam, 2014). On the other hand, the concentration of nonprofits in affluent communities compromises the effectiveness of nonprofits targeting social change because it might increase inequalities, given that wealthier areas will have a better network of service providers, advocates, and community builders (McDougle & Lam, 2014; McDougle, 2015).

The literature emphasizes access to resources and community needs as reasons for nonprofit location. Nonprofits might establish themselves in more prosperous areas in order to have access to donors and political connections or other resources (Bielefeld, Murdoch, & Waddell, 1997; Fruttero & Gauri, 2005; Brass 2012). In terms of community needs, here I test if poverty, unemployment, inequality, or high violence attract nonprofits to a certain municipality, presumably to improve these social indicators. However, nonprofits may not be interested in solving any kind of social problem, or may actually promote extreme and undemocratic initiatives. Armony (2004, 56), for instance, exemplifies “civil society’s dark side” with the American nonprofits that promoted segregation, German associations supporting Nazism, and Argentinean organizations that contributed to a weak rule of law and high inequality in that country. Thus, nonprofits are not a uniform, monolithic sector. Different factors may attract different kinds of nonprofits. By using spatial methods and disaggregating nonprofits per main fields of nonprofit activity in Brazil, this essay presents a more nuanced analysis of what affects the location of these organizations in that country.

This study also differs from previous research in terms of the unit of analysis considered. There are previous studies on the location of nonprofit organizations analyzing counties (e.g.
Grønbjerg & Paarlberg, 2001) or metropolitan areas in the United States (e.g. Bielefeld, Murdoch, & Waddell, 1997; Bielefeld, 2000; Bielefeld & Murdoch, 2004; Peck, 2008; Yan et al., 2014). Studies on this topic frequently neglect considering a whole country at a subnational (e.g., municipal) level, and generally overlook the global South (for exceptions, see Fruttero & Gauri, 2005; Brass 2012). This essay focuses on a major country in the developing world and intends to provide a diversified explanation for nonprofit location by analyzing what affects this phenomenon across Brazilian municipalities.

The results indicate that measures of community need are not strong determinants of nonprofit location in Brazil. Differently than expected, more income inequality and unemployment rate are associated with a lower rate of nonprofits created between 2001 and 2010. Among the available resources, only the percentage of rural population, which is used as a measure of a higher social capital (Grønbjerg and Paarlberg 2001), is positively associated with nonprofit location. The main predictor of the increase of nonprofits in a municipality is the density of nonprofits previously existing in that geographic area. The concentration of nonprofits in certain areas might suggest the existence of resources or need for their actions, but, likewise, there are organizational benefits from clustering (Bielefeld and Murdoch 2004). These results, however, vary across different regions and nonprofit fields of activity. Professional associations, for instance, are attracted to areas of higher poverty, especially in the wealthier South of Brazil. In most parts of the poorer regions of the North and Northeast, poverty has no significant effect. Differently than occurs with other nonprofit fields of activity, areas with higher nonprofit density do not attract religious organizations in most parts of the country. By mapping the main results of geographically weighted regressions, this essay presents regional differences in the determinants of nonprofit location in
four fields of activity: religious, cultural, and advocacy nonprofits, as well as professional associations.

This essay starts discussing theoretical arguments and findings from the literature regarding what attracts nonprofits to certain areas. The following section presents the data and methods adopted in this research. A third section presents the results from ordinary least squares (OLS) and geographically weighted regressions (GWR). The fourth section discusses these findings and its implications. Finally, I present the conclusions, limitations, and agenda for future research.

2.1. Literature review and hypotheses

2.1.1. Community needs

*H1 – The higher the measures of community need in a municipality (i.e., high inequality, high poverty, high unemployment, high homicide rates), the more likely that nonprofits will locate in that municipality.*

The argument that nonprofits go where the community needs them the most, assumes that nonprofits intend to help disadvantaged groups. Brass (2012) claims that this view is expressed in the mission statement of most development nonprofits. Grønbjerg and Paarlberg (2001) argue that community needs attracting nonprofits is coherent with the demand side explanation for nonprofit organizations. According to this theory, nonprofit organizations exist to provide services that are not covered by for-profit companies or by the government (Weisbrod 1978). This suggests that, in certain communities, there is demand, but there is a limited capacity to pay for these services, which discourages for-profit companies, and the demanding group is not sufficiently numerous or powerful to gain government attention (Weisbrod 1978).
Previous studies, predominantly in the United States, investigate how community needs inform nonprofit location, presenting mixed results. Peck (2008) found that nonprofits choose locations in poorer neighborhoods in the metropolitan area of Phoenix, in the United States. Similarly, Yan, Guo, and Paarlberg (2014) concluded that anti-poverty nonprofits are located where they are most needed in the Greater Hartford region. Kim (2013) found that income inequality is a measure of community needs attracting more nonprofits to counties in the United States. Based on a study of nonprofits in Kenya, Brass (2012) presented evidence that lack of access to healthcare in a community might be positively associated with nonprofit location. Other studies, on the other hand, did not find measures of community needs as influences to nonprofit location. Bielefeld, Murdoch, and Waddell (1997) concluded that, in Dallas County, measures of community need do not affect nonprofit location. Grønbjerg and Paarlberg (2001), analyzing Indiana counties, found no support for measures of need as determinants of nonprofit density. Fruttero and Gauri (2005), likewise, found no evidence that nonprofit programs were targeting the poorest areas in Bangladesh.

As the previous paragraph indicates, poverty is the most common measure of need adopted by the literature on nonprofit location (Fruttero and Gauri 2005; Peck 2008; Yan, Guo, and Paarlberg 2014). For this reason, the percentage of poor families in each municipality is one of the variables tested to explain nonprofit location in Brazil. Following previous studies, other social issues tested are: unemployment rate (Peck 2008), homicide rates (Caldeira and Holston 1999) and inequality (Kim 2013).

The literature tends to consider the location of nonprofits in general, and not segmented according to their fields of activity (Peck 2008; Brass 2012; Kim 2013; Yan, Guo, and Paarlberg 2014). Grønbjerg and Paarlberg (2001), who debate the distinction between charitable, advocacy,
and mutual-benefit nonprofits, and Fruttero and Gauri (2005), who discuss different programs from major nonprofits in Bangladesh, are rare exceptions that confirm the value of unpacking the nonprofit sector, through their distinct findings for different groups of organizations.

In this essay, I start by analyzing whether socioeconomic characteristics of a community affect the location of new nonprofits in general. I expect that municipalities with worse socioeconomic indicators will be more likely to attract new nonprofits. After the discussion of nonprofits overall, I focus on analyses disaggregating the four main fields of nonprofit activity in Brazil – religious, advocacy, cultural, and professional associations. It would be possible to state hypotheses indicating the expected effect of community needs on each of the main nonprofit fields of activity, but this would result in four additional hypotheses, which I did not add, for clarity purposes. I expect, however, to find differences in how measures of community need affect the location of nonprofits from these different fields.

2.1.2. Access to resources

\textit{H2} – The higher the measures of access to resources in a municipality (i.e., high population density, high rural population, high government investments, or being a state capital), the more likely that nonprofits will locate in that municipality.

The availability of resources in a certain area may influence nonprofit location. This hypothesis is frequently investigated (Grønbjerg and Paarlberg 2001; Fruttero and Gauri 2005; Peck 2008; Brass 2012; Yan, Guo, and Paarlberg 2014). Grønbjerg and Paarlberg (2001, 689) argue that “[l]ike all other organizations, nonprofits must secure resources from their environment to survive, suggesting that they will be most prevalent where resources needed for their survival
are plentiful.” Resources in this context are not only money, but also available workers and volunteers that might be useful for nonprofits (Grønbjerg and Paarlberg 2001).

Previous research is consistent in confirming the importance of access to resources for nonprofit location. Brass (2012) claimed that, in Kenya, access to resources attracts nonprofits to certain communities. Bielefeld, Murdoch, and Waddell (1997) concluded that, in Dallas County, rich neighborhoods attract nonprofits due to the availability of possible donors or clients that would be able to pay fees for service. Fruttero and Gauri (2005, 761), Peck (2008), and Yan, Guo, and Paarlberg (2014) presented similar results, claiming that nonprofits can be “pragmatic and charitable at the same time.”

In general, it is challenging to identify resources available in a community. Researchers often choose proxies for these measures. Peck (2008, 142) uses “average occupied housing values and the proportion of housing units that are renter occupied to measure the resources a neighborhood has.” Grønbjerg and Paarlberg (2001) adopt library funding per capita as a measure of local government funding. These authors also claim that the existence of government funds to nonprofit organizations, as proposed by Salamon (1987), is an incentive for new nonprofits to be created in that area. Wolpert (1988) argues that public funding and private donations follow similar patterns in each region, i.e., areas with higher public funding to nonprofits are expected to have higher levels of private donations to these organizations. For this reason, I use the average investment per capita of local governments as a measure of available resources.

The literature claims as well that certain communities’ characteristics indicate resource availability. Wolpert (1988), analyzing 85 American metropolitan areas, concluded that small size communities with moderate income and a low level of distress are more prone to generosity. Grønbjerg and Paarlberg (2001), based on Putnam, Leonardi, and Nanetti (1994) and others,
emphasize that small communities, not densely populated, attract a higher rate of nonprofits by enabling more social capital. In this sense, the percentage of rural population and population density may be indirectly related to available resources. This essay tests these variables as measures of resource availability, but it should be noted that different kinds of resources might be captured: a higher rate of rural population and lower population density might indicate higher social capital, while more urban and densely populated cities are expected to concentrate more financial and human resources. Finally, the analysis includes a dummy variable for state capitals, because these cities in Brazil tend to have better structure, more population, and access to the government, which are all resources that could be useful for nonprofits.

In summary, this research considers the percentage of rural population as a proxy for social capital, government investments as a proxy for access to public funds and contracting, state capitals as a proxy for political connections and other resources, and population density as a proxy for the concentration of volunteers, workers, and donors. I expect that municipalities with more resources will be more likely to attract new nonprofits. Similar to the measures of community need, I further expect that, against the null hypotheses that there are no differences across the four main fields of activity; there will be differences in what resources attract nonprofits from different fields.

2.1.3. Clustering effects

H3 - The higher the previous nonprofit density in a municipality, the more likely that nonprofits will locate in that municipality.

Nonprofit studies tend to overlook how the previous nonprofit density affects the location of new nonprofits, despite research in other areas that adopt community ecology theory and
institutional theory arguments to discuss organizational clustering (Lomi 1995; Baum and Haveman 1997; Ruef 2000; Freeman and Audia 2006).

A high rate of existing nonprofits (i.e., high concentration) might indicate that, at least until it reaches saturation, needs and resources are available in that area. There are also organizational benefits of clustering. Among these benefits, Bielefeld and Murdoch (2004), complementing Baum and Haveman’s (1997) model, list shared structure, access to specialized resources, knowledge spillovers, information about demand and feasibility, and reduction of search-costs for customers.

The few articles on nonprofit studies that address clustering of nonprofit organizations present mixed results. Joassart-Marcelli and Wolch (2003), investigating social service providers in Southern California cities, found no spatial autocorrelation indicating clustering of these organizations. Nevertheless, Bielefeld and Murdoch (2004), analyzing American metropolitan areas, found that similar nonprofits tend to cluster. Adopting an economic approach, Fruttero and Gauri (2005) claim that nonprofits decide to establish in a community according to their expected rewards for success or punishments for failure: if a nonprofit expects its own results to be positively evaluated by funders, it will establish in areas with low nonprofit density, so that these funders can identify and reward these results. In spite of that, if the nonprofit expects its results to be negatively evaluated, or expects that donors cannot properly identify the results, it will prefer to cluster in order to reduce punishments and damages to their reputation (Fruttero and Gauri 2005).

Another issue raised by the influence of nonprofit density on the location of new nonprofits is the endogeneity between nonprofit location and social needs. If nonprofits aim at societal improvement, they can establish themselves in places with worse socioeconomic indicators, as explained in the subsection on community needs. However, if nonprofits are effective in their job,
socioeconomic indicators in that area will improve. Most of the studies on nonprofit location ignore this debate. An exception is Peck (2008), who discussed both the determinants of nonprofit location and the impact of previously existing nonprofits. In this essay, I follow a different approach by focusing only on nonprofit creation, but including the base density of nonprofits established in each municipality in 2000, when the socioeconomic indicators were measured. Considering this base density of nonprofits and the indicators of need and resources in 2000, I investigate the location of nonprofits created between 2001 and 2010. In addition, the next essay tests the impact of nonprofits in two main variables of social need – human development and inequality.

Despite the higher competition for resources created by higher nonprofit density, the hypothesis here is that, given the organizational benefits of clustering, municipalities with higher concentration of nonprofits will be more likely to attract new nonprofits. Freeman and Audia (2006, 164) argue “[o]rganizations build relationships on the basis of what they do to and for each other.” This suggests that organizations with different purposes might respond differently to previously existing nonprofits. Applied to this study, I expect that the relationship between a previous rate of nonprofits and the location of new nonprofits will vary among different fields of activity. The next section presents the data and methods adopted in this research.

### 2.2. Data and methods

This study uses data obtained after an official information request\(^3\) to the dataset with all nonprofits registered in each Brazilian municipality, per fields of activity and decade of

\(^3\) Protocol number 03950.001988/2014-97. I requested data on 24/09/2014 in municipal level and by decade of foundation of nonprofits from each field of activity. Answered came on 21/10/2014. The consolidated data is available online at the report *As Fundações Privadas e Associações sem Fins Lucrativos no Brasil 2010* (IBGE 2010).
foundation. This dataset refers to nonprofit organizations that were active in 2010. This research also uses data from online sources, such as the Atlas do Desenvolvimento Humano⁴, from the United Nations Development Program, which compiles information from the Brazilian censuses, and the Sistema de Informações de Mortalidade⁵, from the Brazilian Ministry of Health. Data from the independent variables are from 2000, and data from the dependent variable – number of nonprofits created in each municipality – are from 2001 to 2010, to address the endogeneity issue, as previously stated. All data are at the municipal level, covering Brazil’s 5562 municipalities. A limitation common to studies of nonprofit location (McDougle 2015) and to which this article is not immune, is that registries of location are not necessarily indicating the real area of these nonprofits’ activities. This problem is minimized by the fact that in Brazil the size of nonprofits, although very diverse across different areas of activity, is relatively small, with an average of 7.3 employees in each organization (IBGE 2010). The average number of employees for the nonprofit fields of activity analyzed in details here is even smaller, varying from 1.8 employees in religious nonprofits to 4.3 employees in cultural nonprofits. In this sense, the small number of employees may be an organizational limitation for activities in municipalities different from than the ones in which the nonprofit was registered.

This essay follows previous research (Peck 2008; Yan, Guo, and Paarlberg 2014) in organizing the predictors of nonprofit location according to measures of community needs and available resources. I added as a measure the density of nonprofits previously established in each municipality to test the third hypothesis for nonprofit location.

⁴ Available at: http://www.atlasbrasil.org.br/2013/. Access on 26/06/2015
⁵ Available at: http://tabnet.datasus.gov.br/cgi/tabcgi.exe?sim/cnv/ext10br.def. Access on 26/06/2015
In the previous section, I explained the rationale for the selection of variables adopted here. In summary, the measures of need include: a) the percentage of poor families and b) the percentage of unemployment (Peck 2008). Additionally considering the severity of income inequality and violence in Brazil (Caldeira & Holston, 1999; Carvalho, De Castro Cerqueira, & Lobão, 2005; Koch, Dreher, Nunnenkamp, & Thiele, 2009; Lustig et al., 2013), I added as measures of need c) the Gini index for income inequality and d) homicide rates. The measures of available resources are: a) the average from local governments’ budget per capita classified as investment between 1996 and 2000, b) a dummy for state capitals, which in Brazil are the biggest cities in every state, concentrating not only access to the subnational government, as well as infrastructure and large, for-profit companies, c) the percentage of population that qualifies as rural, and d) population density. The measure of nonprofit density is the rate of nonprofits per 10,000 residents. Table I presents description and summary statistics for these variables.
Table I – Nonprofit location: descriptive statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>S.D.</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPOs overall</td>
<td>NPOs created between 2001 and 2010, per 10,000 residents</td>
<td>0</td>
<td>123.2</td>
<td>7.95</td>
<td>8.04</td>
<td>Info request</td>
</tr>
<tr>
<td>Religious NPOs</td>
<td>Religious NPOs created between 2001 and 2010 per 10,000 residents</td>
<td>0</td>
<td>16.86</td>
<td>1.17</td>
<td>1.41</td>
<td>Info request</td>
</tr>
<tr>
<td>Advocacy NPOs</td>
<td>Advocacy NPOs created between 2001 and 2010 per 10,000 residents</td>
<td>0</td>
<td>88.67</td>
<td>1.65</td>
<td>3.40</td>
<td>Info request</td>
</tr>
<tr>
<td>Cultural NPOs</td>
<td>Cultural NPOs created between 2001 and 2010 per 10,000 residents</td>
<td>0</td>
<td>34.88</td>
<td>0.95</td>
<td>2.00</td>
<td>Info request</td>
</tr>
<tr>
<td>Professional Associations</td>
<td>Professional associations created between 2001 and 2010 per 10,000 residents</td>
<td>0</td>
<td>42.02</td>
<td>2.10</td>
<td>3.31</td>
<td>Info request</td>
</tr>
<tr>
<td>Poverty</td>
<td>Percent of poor families in 2000</td>
<td>0.70</td>
<td>90.76</td>
<td>41.06</td>
<td>22.76</td>
<td>UNDP</td>
</tr>
<tr>
<td>Unemployment</td>
<td>Unemployment rate in 2000</td>
<td>0</td>
<td>59.17</td>
<td>11.02</td>
<td>6.22</td>
<td>UNDP</td>
</tr>
<tr>
<td>Inequality</td>
<td>GINI index for income inequality in 2000</td>
<td>0.3</td>
<td>0.87</td>
<td>0.54</td>
<td>0.06</td>
<td>UNDP</td>
</tr>
<tr>
<td>Homicides</td>
<td>Homicide rate (per 100,000 people) in 2000</td>
<td>0</td>
<td>204.70</td>
<td>9.19</td>
<td>16.06</td>
<td>Health Ministry</td>
</tr>
<tr>
<td>Capital</td>
<td>Dummy variable for state capitals</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0.06</td>
<td>IBGE</td>
</tr>
<tr>
<td>Government investment</td>
<td>Average of the investment per capita made by local governments between 1996 and 2000</td>
<td>0</td>
<td>1516</td>
<td>51.58</td>
<td>55.69</td>
<td>IpeaData</td>
</tr>
<tr>
<td>Nonprofit density</td>
<td>Base rate of NPOs in each municipality in 2000 per 10,000 residents</td>
<td>0</td>
<td>190.20</td>
<td>12.31</td>
<td>13.21</td>
<td>Info request</td>
</tr>
<tr>
<td>Rural population</td>
<td>Percent of rural population in 2000</td>
<td>0</td>
<td>1</td>
<td>0.41</td>
<td>0.23</td>
<td>UNDP</td>
</tr>
<tr>
<td>Population density</td>
<td>Population density (population/city area in km2) in 2000</td>
<td>0.12</td>
<td>12740</td>
<td>95.41</td>
<td>517.06</td>
<td>IBGE</td>
</tr>
</tbody>
</table>

Source: Created by the author.

Considering the main fields of activity discussed in chapter I, I analyze five models of nonprofit location, changing only the dependent variable. The dependent variable in each model is: 1) the overall density of nonprofit organizations; 2) the density of religious nonprofits, 3) the density of advocacy nonprofits; 4) the density of professional associations; and 5) the density of cultural organizations. The densities consider the number of organizations created between 2001 and 2010 per 10,000 residents.
Previous studies on nonprofit location did not discuss variation on the local effects of an independent variable. For instance, would poverty in the less developed North and in the wealthier South of Brazil have the same effect over nonprofit location? Without the identification of geographically varying effects, the prevailing assumption is that one single coefficient from non-spatial models represents the effect of each predictor on the variables of interest. This assumption is highly problematic in studies using municipalities as unit of analysis in a country as heterogeneous as Brazil. To verify the existence of spatial variability on each nonprofit field of activity, the first models use OLS regressions and include tests for spatial autocorrelation. Having indication of spatial heterogeneity, I then use geographically weighted regression (GWR) to explore how the coefficients change across different units (Brunsdon, Fotheringham, and Charlton 1996; 2002). In matrix notation, GWR can be represented as:

\[ y_i = \beta_i X_i + \epsilon_i \]

Each location \( i \), is identified by the longitude and latitude coordinates of its centroid. The outcome of interest is \( y_i \), the set of predictors is \( X_i \), \( \epsilon_i \) is a random error term, and \( \beta_i \) is a vector of local coefficients associated with the predictors in \( X \). For each location \( i \) the coefficient \( \beta_i \) is determined by the values of \( y_i \) and \( X_i \) not only in the focal unit, but also in the neighbors included in an optimal bandwidth determined for each dataset.

The results from GWR provide local coefficients that are better interpreted through maps. These maps are in the next section, but only for the variables that are non-stationary (i.e., that vary geographically) in all four main fields of nonprofit activity, as determined by Monte Carlo simulations. The Monte Carlo simulations test the hypothesis that local coefficients are equal to the global, OLS coefficient for that variable (Brunsdon, Fotheringham, and Charlton 1998). Significant results indicate non-stationary coefficients. The summary results of GWR, including
minimum, maximum, and mean coefficients for each variable are available with the author under request.

I used the software R (R Core Team 2015), Geoda (Anselin, Syabri, and Kho 2006), and GWR4 (Nakaya et al., 2009) for the models and tests. The next section presents the results, starting with OLS regressions and tests for coefficient stationarity.

2.3. Results

Table II presents the results of OLS regressions considering nonprofits in general and from the four main fields of activity in Brazil. These results indicate that, for nonprofits in general, inequality and unemployment are associated with fewer new nonprofits located in these cities. On the other hand, a higher percentage of rural population and a higher rate of nonprofits already established in these areas are associated with more nonprofits. These results seem to indicate that new nonprofits tend to be located in more rural cities, where there are already nonprofits established, and in municipalities where unemployment and inequality are lower than in other parts of the country.
Table II - OLS regressions for NPOs created between 2001 and 2010

<table>
<thead>
<tr>
<th></th>
<th>NPOs overall</th>
<th>Religious NPOs</th>
<th>Advocacy NPOs</th>
<th>Professional Associations</th>
<th>Cultural NPOs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constant</strong></td>
<td>3.583**</td>
<td>1.809**</td>
<td>0.389</td>
<td>-0.043</td>
<td>0.642**</td>
</tr>
<tr>
<td></td>
<td>(4.658)</td>
<td>(11.180)</td>
<td>(1.057)</td>
<td>(-0.119)</td>
<td>(3.150)</td>
</tr>
<tr>
<td><strong>Needs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inequality</td>
<td>-2.636*</td>
<td>0.063</td>
<td>-1.713**</td>
<td>-0.717</td>
<td>-0.507</td>
</tr>
<tr>
<td></td>
<td>(-1.893)</td>
<td>(0.216)</td>
<td>(-2.568)</td>
<td>(-1.085)</td>
<td>(-1.373)</td>
</tr>
<tr>
<td>Poverty</td>
<td>-0.003</td>
<td>-0.012**</td>
<td>0.009**</td>
<td>0.025**</td>
<td>-0.017**</td>
</tr>
<tr>
<td></td>
<td>(-0.682)</td>
<td>(-10.674)</td>
<td>(3.772)</td>
<td>(9.708)</td>
<td>(-12.079)</td>
</tr>
<tr>
<td>Unemployment</td>
<td>-0.036**</td>
<td>0.001</td>
<td>0.008</td>
<td>-0.024**</td>
<td>-0.003</td>
</tr>
<tr>
<td></td>
<td>(-2.170)</td>
<td>(0.418)</td>
<td>(-1.016)</td>
<td>(-3.001)</td>
<td>(-0.680)</td>
</tr>
<tr>
<td>Homicides</td>
<td>0.007</td>
<td>0.007**</td>
<td>-0.001</td>
<td>0.002</td>
<td>-0.002</td>
</tr>
<tr>
<td></td>
<td>(1.391)</td>
<td>(6.457)</td>
<td>(-0.530)</td>
<td>(0.889)</td>
<td>(-1.436)</td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population density</td>
<td>0.000</td>
<td>0.000**</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>(0.416)</td>
<td>(1.986)</td>
<td>(0.418)</td>
<td>(-0.228)</td>
<td>(0.201)</td>
</tr>
<tr>
<td>Rural population</td>
<td>5.260**</td>
<td>-0.669**</td>
<td>1.732**</td>
<td>1.881**</td>
<td>1.406**</td>
</tr>
<tr>
<td></td>
<td>(9.967)</td>
<td>(-6.030)</td>
<td>(6.852)</td>
<td>(7.507)</td>
<td>(10.052)</td>
</tr>
<tr>
<td>Government investment</td>
<td>-0.001</td>
<td>0.000</td>
<td>-0.001**</td>
<td>0.000</td>
<td>-0.000</td>
</tr>
<tr>
<td></td>
<td>(-1.085)</td>
<td>(-0.232)</td>
<td>(-2.369)</td>
<td>(0.530)</td>
<td>(-0.821)</td>
</tr>
<tr>
<td>Capital</td>
<td>0.780</td>
<td>-0.338</td>
<td>0.108</td>
<td>0.176</td>
<td>0.133</td>
</tr>
<tr>
<td></td>
<td>(0.597)</td>
<td>(-1.232)</td>
<td>(0.173)</td>
<td>(0.284)</td>
<td>(0.386)</td>
</tr>
<tr>
<td><strong>NPO Density</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonprofit density</td>
<td>0.340**</td>
<td>0.016</td>
<td>0.103**</td>
<td>0.077**</td>
<td>0.064**</td>
</tr>
<tr>
<td></td>
<td>(47.677)</td>
<td>(1.066)</td>
<td>(30.094)</td>
<td>(22.781)</td>
<td>(34.209)</td>
</tr>
<tr>
<td>N</td>
<td>5562</td>
<td>5562</td>
<td>5562</td>
<td>5562</td>
<td>5562</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.36</td>
<td>0.09</td>
<td>0.18</td>
<td>0.15</td>
<td>0.28</td>
</tr>
<tr>
<td>Moran’s I</td>
<td>13.489**</td>
<td>17.920**</td>
<td>9.552**</td>
<td>16.592**</td>
<td>10.844**</td>
</tr>
</tbody>
</table>

**p ≤ 0.05; * p ≤ 0.10 (two-tailed tests); t-statistics in parentheses.

Source: Created by the author.

Nonprofits from each of the main four fields of activities, however, present distinct relationships with these predictors. The location of religious nonprofits is not associated with inequality, unemployment, or pre-existing nonprofits. Contrary to nonprofits in general, the
influence of rural population on the location of newly established religious nonprofits is negative. The fact that population density is positively associated with the location of religious nonprofits reinforces the evidence that more urbanized areas attract this group of nonprofits. In addition, higher poverty rates are associated with fewer religious nonprofits. Homicide rate is the only measure of community needs positively associated with the location of religious nonprofits.

Some results for advocacy organizations are similar to nonprofits in general, such as the negative association with inequality and the positive relationships with the percentage of rural population and with the previous nonprofit density. Even so, differently from nonprofits in general, the percentage of poor population leads to a higher rate of new advocacy nonprofits being in these areas. Furthermore, unemployment has no significant effect and the investment of local governments is associated with fewer advocacy groups.

Professional associations are somewhat similar to advocacy groups in that poverty, rural population and the pre-existing density of nonprofits are positively associated with the location of these kinds of nonprofits. Professional associations differ by being negatively associated with unemployment and not significantly related to inequality or government investment.

Finally, cultural associations differ from nonprofits in general by not being associated with inequality and unemployment, and by having a negative association with poverty, contrary to advocacy groups and professional associations. Cultural nonprofits are similar to nonprofits in general, but contrary to religious nonprofits for being positively associated with rural municipalities. The previous nonprofit density is also positively associated with the location of new cultural nonprofits.

A robustness check with the income per capita from the 10% of the population with higher income as an alternative measure of resources available (indicates potential donors) did not change
the results presented here. The models using this variable do not appear here because the income per capita from the 10% of the population with higher income is highly correlated with inequality, causing multicollinearity. This suggests that the Gini index of income inequality, used here primarily as a measure of social need, further indicates that a certain segment of the population concentrates resources.

Several elements of these results require further analyses. Why, for instance, does poverty seem to attract advocacy groups and professional associations, but repels religious and cultural nonprofits? Alternatively, why are religious nonprofits the only group among the main fields of activity not attracted by the rate of nonprofits previously established in that area? Before entering these debates, it is worth verifying if these results are stationary or not. In other words, can we assume that in each model the coefficients are the same across municipalities in the entire country?

A first step towards this analysis of stationarity is to detect whether there is any spatial dependence in the initial results. Spatial dependence suggests that the OLS results are inadequate and that a model that accounts for spatial patterns would be more appropriate. In table III it is possible to check the Moran’s I of each model. This test indicates if there is spatial autocorrelation through the analysis of the residuals of each model. Tests of spatial autocorrelation are sensitive to the spatial weights adopted in each case. All models presented here use a queen one contiguity matrix. Robustness checks with rook one contiguity confirm spatial autocorrelation in all models but with different values. The results confirm, through significant Moran’s I, the existence of spatial autocorrelation in all models. This diagnostic suggests that OLS is not the best model to analyze nonprofit location in Brazil. Considering the LISA maps from figure 2, there are reasons to expect different processes affecting nonprofit location in distinct parts of the country, i.e.,
distinct spatial regimes (Anselin and Rey 2014). This supports the adoption of GWR models in order to examine the continuous spatial heterogeneity in the relationships of interest.

Table III presents the results of Monte Carlo simulations showing which coefficients from the previous OLS models are non-stationary for each of the main nonprofit fields of activities.

**Table III - Results of Monte Carlo simulations for coefficient stationarity**

<table>
<thead>
<tr>
<th></th>
<th>Religious NPOs</th>
<th>Advocacy NPOs</th>
<th>Professional Associations</th>
<th>Cultural NPOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.003**</td>
<td>0.001**</td>
<td>0.000**</td>
<td>0.009**</td>
</tr>
<tr>
<td><strong>Needs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inequality</td>
<td>0.004**</td>
<td>0.3766</td>
<td>0.069*</td>
<td>0.346</td>
</tr>
<tr>
<td>Poverty</td>
<td>0.000**</td>
<td>0.000**</td>
<td>0.000**</td>
<td>0.000**</td>
</tr>
<tr>
<td>Unemployment</td>
<td>0.000**</td>
<td>0.033**</td>
<td>0.247</td>
<td>0.000**</td>
</tr>
<tr>
<td>Homicides</td>
<td>0.000**</td>
<td>0.024**</td>
<td>0.099*</td>
<td>0.049**</td>
</tr>
<tr>
<td><strong>Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population density</td>
<td>0.303</td>
<td>0.000**</td>
<td>0.000**</td>
<td>0.009**</td>
</tr>
<tr>
<td>Rural population</td>
<td>0.131</td>
<td>0.000**</td>
<td>0.000**</td>
<td>0.000**</td>
</tr>
<tr>
<td>Government investment</td>
<td>0.630</td>
<td>0.001**</td>
<td>0.019**</td>
<td>0.465</td>
</tr>
<tr>
<td>Capital</td>
<td>0.013**</td>
<td>0.012**</td>
<td>0.000**</td>
<td>0.069*</td>
</tr>
<tr>
<td><strong>NPO Density</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonprofit density</td>
<td>0.008**</td>
<td>0.015**</td>
<td>0.000**</td>
<td>0.000**</td>
</tr>
<tr>
<td>Simulations</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Adaptive bandwidth (in number of obs)</td>
<td>99</td>
<td>122</td>
<td>112</td>
<td>178</td>
</tr>
</tbody>
</table>

**p ≤ 0.05; * p ≤ 0.10 (two-tailed tests)**

Source: Created by the author.

Results from the Monte Carlo simulations show that several coefficients in each of these models are non-stationary, meaning that they vary across different geographical units in Brazil. In order to focus the discussion on particularly relevant variables, I analyze here the effects of poverty rates and of the pre-existing density of nonprofits, which are the only variables that have non-
stationary effects across all models, at the .05 significance level. Additional results from GWR analyses are available under request. By comparing the results from table II with the GWR models, it can be seen that the AICs from the GWR models are always lower than in the OLS models, indicating that GWR provide a better fit to the data in this study (Anselin and Rey 2014). In other words, the spatial analysis using GWR explains more about the phenomena of nonprofit location in Brazil than OLS.

Figure 3 shows the effect of poverty on the location of new nonprofits from the four main fields of nonprofit activity in Brazil. Recalling results from the OLS model, there was a negative effect of poverty on the location of religious and cultural nonprofits, and a positive effect on the location of advocacy and professional associations. The improved results from the GWR, mapped in illustration 3, indicate that, in fact, in a considerable part of Brazil there is no significant association between poverty rates and the creation of nonprofits from these fields of activity. There is, however, as predicted by the OLS, a negative effect of poverty rate on the location of new religious organizations in a large area that includes all the North region and significant parts of the other regions. This effect is not significant in the coastal and most populated area of the Northeast. For cultural nonprofits, the areas of negative association with poverty include the entire South region and three other large spots, including part of the same populated area in the Northeast coast that has not a significant density of religious organizations.
Figure 3 - Effect of poverty rate on location of main fields of nonprofit activity

The maps also show that the association between poverty rates and advocacy nonprofits is not always positive, and it is in fact negative or non-significant in certain areas of the country. In almost the completely South region and in part of the Northeast, poverty rates are actually leading to less advocacy groups, according to the GWR results. The same does not happen with professional associations, which are positively associated with poverty rates in large parts of the country, including developed and underdeveloped areas. Even in this case, the state of São Paulo,
in the Southeast, and the main metropolis in the Northeast present no significant association between poverty and professional associations.

Figure 4 shows the effect of the previous rates of nonprofits on the location of new nonprofits from each field of activity. As with poverty rates, the results from the GWR regarding the effect of the previous rate of nonprofits present important distinction in relation to the OLS results. The effect of the previous rate of nonprofits on religious organizations, for example, which the OLS indicates as non-significant, is shown by the GWR as positive and significant in a smaller part of Brazil that includes, nonetheless, the most densely populated region of the country, the Southeast. For all the other main fields of nonprofit activity in Brazil – cultural, advocacy, and professional associations – the effect of the previous rate of nonprofits is positive in most parts of the country, but there are still areas where this effect is non-significant.
In summary, geographically weighted regressions (GWR) models present better results than OLS regressions, because they enable the identification of theoretically interesting variation in the direction, magnitude, and significance of key explanatory variables. Notably, the OLS findings hold for all variables deemed stationary by the Monte Carlo simulations. In other words, for those variables, the effect can be considered stable or uniform across all municipalities. The next section discusses the substantive findings from the Brazilian case, especially regarding the
effects of community needs, available resources, and nonprofit density on the location of new nonprofits.

2.4. Discussion

The results presented here justify why it is not surprising that previous studies had conflicting results when analyzing determinants of nonprofit location. The influence of community needs, available resources and nonprofit density on the location of new nonprofits varies across different fields of activity and regions of the country. In this sense, it is risky to draw general conclusions. The Brazilian case, however, presents elements that, taken together, can inform further research on nonprofit location in different countries.

All measures of community need adopted in this research affect the location of nonprofits in at least one field of activity. In some cases, however, the effect is the opposite of what was expected. In terms of resources, the only measure that affects all four main fields of nonprofit activity in Brazil is the percentage of rural population, used as a proxy for social capital. Finally, the previous nonprofit density seems to attract all kinds of nonprofits, at least in some parts of the country. A better interpretation of these results should consider the meaning of these variables taken together for each field of nonprofit activity.

Religious organizations are the biggest group of nonprofits in Brazil and the influences on their location seem notably distinct from what influences the location of other relevant groups of Brazilian nonprofits. New religious organizations favor urban and more densely populated areas, with lower levels of poverty but suffering from higher homicide rates. Besides that, in a large part of the country, religious organizations avoid municipalities with a high nonprofit density. This indicates that religious nonprofits prefer new urban centers that concentrate financial resources
and opportunities, but that also constitute dangerous and violent areas, where religiosity plays an important role. Studies on religiosity in Brazil claim that Brazilians are converting to Pentecostal and Evangelical churches in order to cope and adjust to modernization processes (Casanova, 2011; Johansen, 2014). It is reasonable to expect that modernization processes happen more intensely in urban and densely populated areas. Thus, religious organizations seem to be the first layer of nonprofits to reach these areas of urban expansion. The growth of religious nonprofits in areas with lower nonprofit density raises questions about the dynamics between different nonprofit fields. For example, would politically active nonprofits continue to grow, eventually limiting the expansion of religious nonprofits, if funding from international foundations had not been reduced for Brazilian advocacy organizations?

Cultural, advocacy, and professional associations present more similarities among themselves, especially because the location of new organizations from these fields of activity seem to be influenced by a higher nonprofit density and rural population, which, taken together, reinforce the argument that social capital influences the location of these kinds of nonprofits (Grønbjerg & Paarlberg, 2001; Putnam, Leonardi, and Nanetti 1994). The main differences among these fields of activity seem to be related to community needs. The only measure that affects cultural organizations is poverty, which repels these nonprofits. The tendency that cultural nonprofits would concentrate in wealthier areas was previously noted by research on nonprofit location (e.g., Wolpert 1993). New advocacy and professional associations, on the other hand, are attracted to areas with higher poverty levels, although the GWR model reveals that in certain areas of the country there is the opposite effect for advocacy nonprofits. The fact that inequality repels advocacy groups and that unemployment repels professional associations in some municipalities is counterintuitive. Considering that these organizations are attracted by high nonprofit density as
well, one possible explanation for these surprising findings is that nonprofits previously working in these areas are successfully reducing inequality and unemployment, which leads to a negative association between these indicators and the location of new nonprofits. Further studies are required to confirm this endogeneity issue. It should be noted that advocacy groups grew less intensely in the 2000s than in the 1990s, and the factors that attracted nonprofit location in the 1990s are not covered by this research. Finally, nonprofits that defend rights (Mendonça, Alves, & Nogueira, 2014), such as advocacy organizations and to a certain degree professional associations, develop activities that may have thematic or regional focus, instead of local motivations.

The results of this study suggest that the nonprofit sector in Brazil has still room for growth. In no area of the country the previous nonprofit density seems to be repelling the creation of new nonprofits. This reality might be different in countries with a more established and saturated nonprofit sector.

### 2.5. Conclusion

The three main hypotheses tested in this essay – that needs, resources, or nonprofit density attract new nonprofit organizations – present distinct results when considered for nonprofits in the country overall or when disaggregated by fields of activity and using spatial methods to reveal geographical variation. The analysis of nonprofits overall and using OLS, for instance, shows no evidence that municipalities with worse socioeconomic indicators are attracting more nonprofits in Brazil. However, the analysis of nonprofits from different fields partially supports this hypothesis. Municipalities with higher homicide rates attract religious nonprofits and advocacy and areas with higher poverty rates attract professional associations. In addition, for nonprofits in
general, the hypothesis that resources attract nonprofits finds only partially support in the positive association with the percentage of rural population. Religious nonprofits, however, present a negative association with this proxy for social capital, but are positively associated with population density.

This essay shows that, to make sense of these results, the effects of the previous nonprofit density should also be considered. The OLS models show that nonprofits in general, advocacy groups, cultural and professional associations are attracted by higher rates of previously existing nonprofits, and the GWR indicates the same process happening for religious organizations in part of the country. Regarding religious organizations, this limited influence of previous nonprofit density, the negative effect of rural population, the positive association with population density and with homicide rates suggest that these nonprofits are expanding in new urban centers, where there are opportunities and risks involved, without a nonprofit network already established to support the community. Advocacy, cultural and professional associations follow a different path. These organizations are more likely to be created in areas with more rural population and previous nonprofit density, suggesting that, for these nonprofits, social capital may be more important than availability of financial resources.

This analysis brings substantive and methodological contributions to the study of nonprofit location. Substantively, the analysis of nonprofits from different fields reveals more than the analysis of nonprofits overall. As an illustration, in the OLS models presented here, poverty rate was not significant for nonprofits in general, but it was significant and with opposite signs for main areas of nonprofit activity in Brazil. The findings regarding the effect of previously existing nonprofits are another substantive contribution of this paper. Fruttero and Gauri, (2005) are among the few authors that previously considered the importance of existing nonprofits, but their study is
restricted to a limited sample of the four major nonprofit organizations in Bangladesh. The results presented here suggest the need for further analysis differentiating the actions of each nonprofit field of activity. It is necessary as well to understand more about what motivates the establishment of the first nonprofit in a locality. As methodological contributions, the GWR models and the use of maps to present the results of these models are innovative to nonprofit studies. Analyses of nonprofit location, nonprofits’ social impact, service provision, and other studies involving geographical elements of nonprofits might benefit from these techniques.

This study has certain limitations. First, the study does not reveal if, within each municipality, Brazilian nonprofits are in the poorest neighborhoods. That is, an even more local level of analysis may be in order. The macro picture presented here might be useful as a guideline for government investments, but effective strategies to address social needs should analyze these local circumstances. A second limitation is the absence of consolidated data about private donations or government funding for nonprofits in Brazil, which would have been improved measures of resource availability. The Brazilian case may require a more in-depth analysis of the effects of federal government’s policies for nonprofit location. As Alves and Koga (2006) pointed out, in Brazil not only the availability of funding, but nonprofits’ regulation and other public policies may influence decision regarding the creation of new nonprofits. Such regional factors can be added in further developments of this study.

Future studies about determinants of nonprofit location should analyze the effects of such organizations in the policy environment. Time series, mixed-methods analyses, and comparative case studies could help to identify and discuss the causal mechanisms that influence the decision of establishing a nonprofit in a certain area jointly with the effects of such decision.

This research analyzes the influence of government-nonprofit partnerships and nonprofits’ density on major societal outcomes in Brazil. Since the 1980s, collaborations between governments and private organizations increased and have been promoted around the world as a manner to achieve improved results for the society (Milward and Provan 2000; Salamon, 2002). Frustrations with the government’s inefficiency in solving relevant social problems, besides the recognition of nonprofits’ potential in service delivery and in identifying community’s demands, support the growth of collaborations (Saidel, 1991; Milward and Provan 2000; Salamon, 2002; Rhodes, 2012). There are concerns, however, about the impact of government-nonprofit partnerships, such as potential accountability problems, and mission drift in nonprofits organizations, that deviate from their original roles and lose contact with their communities’ priorities (AbouAssi, 2013; Banks, Hulme, & Edwards, 2015). Assessing the potential benefits to society of different governance arrangements, this essay inquires: is there evidence that government-nonprofit collaborations and a high nonprofit density improve human development and reduce income inequality?

This analysis, therefore, measures societal benefit in terms of changes in human development and in inequality. Human development relates to indicators of health, education, and income generation, while inequality reveals structural patterns in the society. That is, these measures capture both, the effect of nonprofits’ service provision, and the results of advocacy or actions toward structural changes.

This study focuses on nonprofit organizations, but it brings arguments that may also support public administrators, researchers, and other private actors, given that cross-sectoral arrangements are often suggested by and to these actors. While there are many analyses of
governance in the United States and Europe (Börzel, 2012; Cornforth, Hayes, and Vangen, 2014), we know less about governance in the global South, and in countries with a reduced state capacity (Risse, 2013). This research addresses these empirical gaps by analyzing governance arrangements and their social outcomes in all 5,562 Brazilian municipalities.

The methodology adopted here includes tests for spatial autocorrelation, OLS regressions and spatial models (Anselin and Rey, 2014). Findings indicate that municipalities with a higher rate of government-nonprofit collaborations in Brazil are associated with a decrease in income inequality from 2000 to 2010, but these cases are also associated with a decrease in human development in this same period. That is, partnerships between the federal government and nonprofits may contribute to a more equal society, but are detrimental to human development. It is unclear what causes this relationship, but it may indicate simply that social service provision through government-nonprofit collaborations contribute to income redistribution but is less efficient than alternative forms of providing social services, such as direct government provision, for instance. Further, the outcomes of nonprofits’ density are different per fields of activity. Several nonprofit fields of activity are associated with a worse human development, but advocacy groups and professional associations have a positive association with this outcome. Professional associations are also the only field of nonprofits associated with a reduction in income inequality. Tests reveal spatial effects in human development and inequality. Spatial methods show that human development spreads from one municipality to its neighbors, and that regional factors may be influencing inequality in different parts of the country. The findings presented here should not be considered as conclusive causal relationships. There are many complex variables affecting human development and inequality. The significant statistical associations, however, provide
evidence to challenge the argument that collaboration is always a desirable policy. Qualitative studies are needed to explain the relationships found here.

This essay is organized in four parts. First, there is a literature review on government-nonprofit collaboration and governance, emphasizing research related to the expected outcomes of these arrangements. Second, follows a presentation on the data and methods employed here. The third part presents the results from exploratory analysis and the results from spatial models linking different nonprofits’ fields of activity and collaborative strategies to social outcomes. The final section discusses the implications of this study, raises questions for further analysis, and highlights the essay’s limitations.

3.1. Literature review and hypotheses

Since the 1980s, several areas adopt the term governance, not always with the same meaning (Levi-Faur 2012). In general, the concept of governance is associated with changes in the processes and structures through which the society is managed, involving the re-definition of boundaries between the government, for-profit, and nonprofit organizations (Rhodes 2012). Governance connects “a network of actors who operate in various domains of public policy” (Milward and Provan 2000; 360). Among these actors, this essay is particularly interested in governance arrangements between governments and nonprofit organizations. The concept of nonprofits refers to organizations that are private, self-governing, voluntary, and not profit-distributing (Salamon and Anheier, 1999). In Brazil, these organizations are part of a universe identified as Fundações Privadas e Associações Sem Fins Lucrativos (FASFIL) by the government agency (IBGE 2010). Despite a relevant debate on the proper nomenclature, here the concept of nonprofit organizations refers to these organizations, given the goal of highlighting the
heterogeneity in this field. The diversity of these organizations is observed, for instance, in multiple organizational forms and areas of activity (Boris 2006; Anheier 2014).

Salamon (2002) claims that governance shifts the focus of policy analysis from government agencies or programs to governance tools. Collaboration is often a condition to governance tools, leading to a growing literature that discusses collaborative governance. There are different definitions of collaboration, and these arrangements may be more or less frequent and intense. Intending to analyze the general outcomes of these governance arrangements in Brazil, here the terms collaborations or partnerships appear interchangeably, and these relationships are understood as “formalized, joint-working arrangements between organizations that remain legally autonomous while engaging in ongoing, coordinated collective action to achieve outcomes that none of them could achieve on their own” (Cornforth et al., 2014:3). The governance tool analyzed here are convênios, a contracting mechanism intensely adopted for financial transfers from the government to nonprofits in the period between 2000 and 2009 in Brazil (Plataforma OSC, 2010).

The governance literature often claims or assumes that collaboration between different sectors leads to improved outcomes for the society when compared to organizations working in isolation from one another (Milward and Provan 2000; Salamon, 2002; Salamon and Toepler, 2015). The choice of collaborative arrangements, however, involves who participates and how they influence the policies that are carried out (Salamon 2002a). Each form of government-nonprofit collaboration changes the system of accountability, affects the legitimacy, and creates new management challenges for different actors involved (Salamon, 2002; Banks, Hulme, & Edwards, 2015). It is important to know, then, if a governance arrangement delivers the intended societal benefit, justifying eventual inefficiencies along the process.
Despite the argument that government-nonprofit collaborations present improved outcomes for the society (Milward and Provan 2000), a large part of the literature emphasizes detrimental organizational consequences for nonprofits working in these arrangements (Frumkin 2002). Several authors discuss, for instance, how collaboration with the government leads to bureaucratization (Frumkin 2002) and restricts the political activity of nonprofits (Nicholson-Crotty, 2007; Schmid, Bar, and Nirel, 2008; Guo & Saxton, 2010; Verschuere and De Corte 2012). It is less common to find debates about the broader consequences of these arrangements for society. That is, even if nonprofits suffer detrimental organizational consequences when they collaborate with the government, how is the society affected by these collaborative arrangements?

The first and main hypothesis in this study assesses societal outcomes of government-nonprofit collaborations. The choice to discuss collaborations by focusing on contracting mechanisms with resource transfers tests the argument that nonprofits receiving funding from the government change their priorities to continue receiving funding, instead of focusing on policy goals (Mosley, 2012). Human Development Index (HDI) is the first societal outcomes analyzed here, for being a measure that captures benefits from service delivery in the fields of education, health, and income generation (Anand and Sen, 1994; UNDP, 2015). Atack (1999) argues that nonprofits have unique characteristics, such as their access to the communities, which allow them to contribute to the improvement of development indicators. Ranis, Stewart, and Ramirez (2000) state that nonprofits are typically oriented toward human development objectives. There are, however, criticisms to the HDI for not incorporating distributional issues (Grimm et al, 2008; Permanyer, 2013). In order to complement the analysis of societal outcomes, this research also analyzes effects on the Gini coefficient, which measures income inequality. Brazil is one of the most unequal countries in the world, despite the reduction of income inequality during the 2000s,
which previous research attributes to government cash transfer programs that made unskilled labor relatively less abundant (Lustig, Lopez-Calva, and Ortiz-Juarez, 2013). Previous studies also adopt Gini as a measure of the need for nonprofits’ activity in communities (Koch et al, 2009; Sokolowski, 2013).

The arguments previously presented generate an expectation that government-nonprofit collaborations funded by the government have benefits in terms of HDI, through the expansion of social service provision, but remove nonprofits from actions that promote rights for the citizens, limiting their impact on inequalities (Neal, 2007, Banks et al., 2015).

*H1: Collaboration involving financial transfers from the government to nonprofits leads to improved human development and do not contribute to reduce income inequality at municipal level.*

In addition to the main hypothesis, two assessments complement this analysis. First, it is also important to understand the contribution from nonprofits’ density, independent on their collaboration with the government. Full collaboration between government and nonprofits and complete autonomy of these organizations may be two ends of a continuum that includes different degrees of collaborations and autonomy. Therefore, besides discussing if collaboration is beneficial or not, it is also necessary to identify the outcomes of nonprofits in general. Given the complexity and heterogeneity in the nonprofit sector (Boris 2006), I expect to find different outcomes from nonprofits working in distinct fields of activities. Nonprofit organizations may be from fields typically focused on service provision, such as housing, social services, health care and educational nonprofits, or can be from expressive fields more related to community building, identity, and structural causes, such as cultural nonprofits, advocacy groups, and professional associations (Salamon et al, 2013). Given the outcomes analyzed here – human development and
inequality – service providers are expected to improve human development, while expressive nonprofits may contribute to a more equal society.

\textit{H2: Nonprofits from fields of activity closely related to service provision improve human development, while nonprofits from fields closer to expressive roles reduce income inequality in each municipality.}

The final hypothesis in this essay inquires if there is geographical variation in societal outcomes of government-nonprofit collaboration and nonprofits’ density. The few studies analyzing societal outcomes of nonprofits and their collaboration with the government usually discuss a specific field of activity and a limited geographical area (Kearns, Park, and Yankoski 2005; Scott et al, 2006; Suda, 2006). What would be the results when considering a whole country at municipal level? Is there spatial variability influencing the outcomes considered here? Given the nonprofit sector’s diversity and the huge regional variation in the characteristics of Brazilian municipalities, I expect to find significant spatial unevenness in how nonprofits and government-nonprofit collaborations affect human development and inequality.

\textit{H3: There are significant spatial effects influencing the outcomes of nonprofits’ density and government-nonprofit collaborations at municipal level.}

After a description of the theoretical framework that supports this essay, the next section presents the methods adopted to test these hypotheses.

\subsection*{3.2. Methods}

This essay adopts quantitative methods including OLS regressions and spatial models. Spatial analysis provides tools for testing, among other things, if a phenomenon is randomly distributed in different units, and if this phenomenon is conditioned by what is happening in nearby
units, or by features of distinct units (Dale and Fortin, 2014). Municipalities are the unit of analysis in this research.

The dependent variables are: a) Difference in the municipal HDI\(^6\) from 2010 to 2000 and b) Difference in municipal income inequality from 2010 to 2000, measured by the Gini coefficient\(^7\). Data on HDI and Gini come from the Brazilian censuses of 2010 and 2000, compiled by the United Nations Development Program\(^8\). The independent variable that indicate collaboration between nonprofits and government is c) the number of *convênios* between nonprofits and the federal government, per 100,000 residents in each municipality, from 2000 to 2009. I also tested the effect of the total sum of resources from *convênios* per capita, but because of the high correlation between this variable and the number of *convênios*, and because results were not significantly different, I focused on the effect of the number of these agreements. This data was obtained through an official request of information to the federal government\(^9\). Other independent variables are: d) the rate of nonprofits per 100,000 residents created between 2000 and 2009\(^{10}\), according to their ten official fields of activity, e) the local government’s investments per capita made between 2000 and 2009\(^{11}\), as a measure of state capacity, f) variation in total population between 2000 and 2010, g) variation in rural population between 2000 and 2010, and h) the omitted dependent variable – that is, HDI when the dependent variable is Gini, and Gini when the dependent variable is HDI. Other controls were not added, given that HDI is composed of several variables that would cause problems of multicollinearity. Data from nonprofits’ areas of

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\(^6\) The Human Development Index varies from zero to one, with higher values indicating a higher level of human development.

\(^7\) The Gini coefficient varies from zero to one, with higher values indicating a higher level of inequality.


\(^10\) There is also an expected effect of the nonprofits existing before 2000. However, given that the 2000s witnessed a higher rate of nonprofits’ creation, and that the previous rate of nonprofit is a strong indicator of nonprofit location (Marchesini da Costa 2016), the measure of nonprofits created between 2000 and 2009 serves as a proxy for nonprofit density.

activity in each municipality come from a second request of information to the federal government\textsuperscript{12}. Table IV presents summary statistics for these variables.

\textsuperscript{12} Protocol number 03950.001988/2014-97. The Brazilian government provides aggregate data on the nonprofit sector through the FASFIL publication, but municipal level data on all nonprofits, independent of receiving funding from the government, needed to be requested.
### Table IV – Nonprofit impact: descriptive statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Min</th>
<th>Mean</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>DifIDH</td>
<td>Difference in IDH between 2010 and 2000</td>
<td>0.03</td>
<td>0.13</td>
<td>0.32</td>
</tr>
<tr>
<td>DifGINI</td>
<td>Difference in Gini between 2010 and 2000</td>
<td>-0.38</td>
<td>0.05</td>
<td>0.24</td>
</tr>
<tr>
<td>ConvPC</td>
<td>Rate of <em>convênios</em> between 2000 and 2009 per 100,000 residents</td>
<td>0</td>
<td>16.54</td>
<td>548.08</td>
</tr>
<tr>
<td>VConvPC</td>
<td>Rate of values from <em>convênios</em> between 2000 and 2009 per 100,000 residents</td>
<td>0</td>
<td>199</td>
<td>27,308</td>
</tr>
<tr>
<td>Rhab00</td>
<td>Rate of habitation NPOs per 100,000 residents created between 2000 and 2009</td>
<td>0</td>
<td>0.09</td>
<td>47.10</td>
</tr>
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<td>Rsau00</td>
<td>Rate of wealth NPOs per 100,000 residents created between 2000 and 2009</td>
<td>0</td>
<td>0.76</td>
<td>62.55</td>
</tr>
<tr>
<td>Reul00</td>
<td>Rate of cultural NPOs per 100,000 residents created between 2000 and 2009</td>
<td>0</td>
<td>10.16</td>
<td>339.37</td>
</tr>
<tr>
<td>Redu00</td>
<td>Rate of education NPOs per 100,000 residents created between 2000 and 2009</td>
<td>0</td>
<td>2.66</td>
<td>81.16</td>
</tr>
<tr>
<td>Rhel00</td>
<td>Rate of health NPOs per 100,000 residents created between 2000 and 2009</td>
<td>0</td>
<td>7.38</td>
<td>457.10</td>
</tr>
<tr>
<td>Rrel00</td>
<td>Rate of religious NPOs per 100,000 residents created between 2000 and 2009</td>
<td>0</td>
<td>12.90</td>
<td>168.63</td>
</tr>
<tr>
<td>Rpro00</td>
<td>Rate of professional associations per 100,000 residents created between 2000 and 2009</td>
<td>0</td>
<td>22.36</td>
<td>416.71</td>
</tr>
<tr>
<td>Renv00</td>
<td>Rate of environment NPOs per 100,000 residents created between 2000 and 2009</td>
<td>0</td>
<td>0.84</td>
<td>136.18</td>
</tr>
<tr>
<td>Radv00</td>
<td>Rate of advocacy NPOs per 100,000 residents created between 2000 and 2009</td>
<td>0</td>
<td>17.36</td>
<td>845.86</td>
</tr>
<tr>
<td>Roth00</td>
<td>Rate of NPOs from other fields of activity per 100,000 residents created between 2000 and 2009</td>
<td>0</td>
<td>10.31</td>
<td>210.97</td>
</tr>
<tr>
<td>InvMunPC</td>
<td>Local government investment per capita between 2000 and 2009 (R$)</td>
<td>0</td>
<td>1.089</td>
<td>25,045</td>
</tr>
<tr>
<td>DifPopT</td>
<td>Difference of total population between 2010 and 2000</td>
<td>-35,360</td>
<td>3,766</td>
<td>816,300</td>
</tr>
<tr>
<td>DifPopR</td>
<td>Difference of rural population between 2010 and 2000</td>
<td>-519,906</td>
<td>-362</td>
<td>46,353</td>
</tr>
</tbody>
</table>

Source: Created by the author.
Section 3.3 presents initially ordinary least squares (OLS) regressions and diagnostics of spatial autocorrelation. Simultaneously to the OLS regressions, these diagnostics indicate what kind of spatial process occurs in each case. This research uses a threshold distance contiguity matrix to capture connectedness among units. Moran’s $I$ is the main diagnostic of spatial autocorrelation, and the confirmation of spatial variability leads to Lagrange Multipliers tests\(^{13}\), which indicate the most appropriate spatial model for each case (Anselin and Rey, 2014). After the spatial models, it is possible to compare the Akaike Information Criterion (AIC) to determine if the spatial models provide a better explanation to the phenomenon than the OLS regressions (Anselin and Rey, 2014).

The spatial models tested here are spatial error and spatial lag (Anselin, 2005; Anselin and Rey, 2014). The spatial error model indicates if there are omitted variables affecting neighboring units distinctively, which causes correlation among their error terms, while the spatial lag model investigates if events in one unit increase the likelihood of that same event in its neighbors (Baller et al, 2001). Formally, a spatial error term (Anselin and Rey, 2014) is given by:

\[
\begin{align*}
  y_i &= \beta X_i + \mu_i, \\
  \mu_i &= \lambda W \mu + \epsilon
\end{align*}
\]

The dependent variable at unit $i$ is given by the coefficient $\beta$ for the independent variable $X$ in that same unit, plus and error term which is spatially dependent ($W \mu$). In this case, $\lambda$ is the autoregressive spatial coefficient, and $\epsilon$ is the remaining – non-spatially dependent – error term. That is, there are regional factors affecting neighboring units and making their error terms correlated.

A spatial lag model (Anselin and Rey, 2014), in matrix notation, is given by the equation:

\[^{13}\text{The Lagrange Multiplier uses residuals from OLS to test for spatial autocorrelation (Baller et al, 2001)}\]
\[ y_i = \alpha W_{i,j} y_j + \beta X_i + \mu_i \]

That is, if \( y_i \) is the dependent variable at unit \( i \), \( \alpha \) is the autoregressive spatial coefficient; \( W_{i,j} \) is the spatial weight specifying the spatial relationship between units \( i \) and \( j \); \( y_j \) is the dependent variable at unit \( j \); \( \beta \) is the coefficient for the independent variable; \( X_i \) is the independent variable at unit \( i \); and \( \mu_i \) is the error term at that same unit, this means that the value of a dependent variable at the unit \( i \) is given by the value of that same variable in its neighbor units, plus the effect of independent variables and error terms at that unit.

The softwares R (R Core Team 2015) and Geoda (Anselin, Syabri, and Kho, 2006) enabled all the models and tests. After explain the methods adopted here, the next section presents descriptive data and preliminary analysis on the Brazilian nonprofit sector.

3.3. Results

Considering the characteristics of the nonprofit sector in Brazil, as presented in chapter 1, and the hypotheses and methods previously presented in this essay, Table V presents the results of OLS regressions for this essay.
Table V - OLS regressions for nonprofit outcomes

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constant</strong></td>
<td><strong>0.15283</strong> (156.084)</td>
</tr>
<tr>
<td><em>Government-Nonprofit Collaboration</em></td>
<td></td>
</tr>
<tr>
<td>Rate of convênios per 100,000 residents</td>
<td><strong>-0.00020</strong> (-13.087)</td>
</tr>
<tr>
<td><em>Nonprofit fields of activity</em></td>
<td></td>
</tr>
<tr>
<td>Advocacy NPOs per 100,000 residents</td>
<td>0.00005** (3.335)</td>
</tr>
<tr>
<td>Culture NPOs per 100,000 residents</td>
<td><strong>-0.00025</strong> (-9.837)</td>
</tr>
<tr>
<td>Educational NPOs per 100,000 residents</td>
<td><strong>-0.00020</strong> (-2.405)</td>
</tr>
<tr>
<td>Environmental NPOs per 100,000 residents</td>
<td><strong>-0.00004</strong> (-0.405)</td>
</tr>
<tr>
<td>Housing NPOs per 100,000 residents</td>
<td><strong>-0.00123</strong> (-3.512)</td>
</tr>
<tr>
<td>Professional associations per 100,000 residents</td>
<td>0.00020** (13.521)</td>
</tr>
<tr>
<td>Religious NPOs per 100,000 residents</td>
<td><strong>-0.00040</strong> (-12.583)</td>
</tr>
<tr>
<td>Social welfare NPOs per 100,000 residents</td>
<td><strong>-0.00022</strong> (-7.237)</td>
</tr>
<tr>
<td>Health NPOs per 100,000 residents</td>
<td><strong>-0.00132</strong> (-8.768)</td>
</tr>
<tr>
<td>Other NPOs per 100,000 residents</td>
<td>0.00006** (1.972)</td>
</tr>
<tr>
<td>Difference in total population</td>
<td><strong>-0.00000</strong> (-5.490)</td>
</tr>
<tr>
<td>Difference in rural population</td>
<td>-0.00000 (-1.378)</td>
</tr>
<tr>
<td>Difference in HDI</td>
<td></td>
</tr>
<tr>
<td>Difference in Gini</td>
<td>0.11549** (15.621)</td>
</tr>
<tr>
<td>State capacity</td>
<td><strong>-0.00000</strong> (-4.113)</td>
</tr>
</tbody>
</table>

| N                                         | 5,562                                      | 5,562                                      |
| R-squared                                 | 0.20                                       | 0.05                                       |
| Akaike Information Criterion (AIC)        | -21,060                                    | -14,661                                    |
| Moran’s I                                 | 54.95**                                    | 4.56**                                     |
| Lagrange Multiplier (lag)                 | 2,527.70**                                 | 15.89**                                    |
| Robust LM (lag)                           | 345.47**                                   | 0.59                                       |
| Lagrange Multiplier (error)               | 2,651.03**                                 | 17.35**                                    |
| Robust LM (error)                         | 468.80                                     | 2.05                                       |
| Lagrange Multiplier (SARMA)               | 2,996.51**                                 | 17.95**                                    |

**p ≤ 0.05; * p ≤ 0.10 (two-tailed tests); t-statistics in parentheses.

Source: Created by the author using data described in section 3.2.
Interpreting the OLS results would only make sense if the diagnostics had presented no spatial autocorrelation. Given that the Moran’s $I$ and the Lagrange Multiplier tests had significant results for all models, confirming the existence of spatial processes, there is evidence that spatial models can explain more about this relationship that regular OLS regressions. These tests also indicate which spatial model is recommended in each case. Following Anselin and Rey’s (2014) orientation, if the robust versions of both the spatial lag and spatial error tests are significant, as is the case here for human development and inequality, the model with a higher significant value should be used. This suggests the spatial lag model for HDI and spatial error model, which is the only that still significant, for Gini. It should also be noted that the significant value of the Lagrange Multiplier SARMA test suggests a mix of spatial effects from regional omitted variables and from the effect of the outcome in one unit over its neighbors. This mixed effect could be explored with geographically weighted regressions (Brunsdon, Fotheringham, and Charlton 1996), which are not presented here in order to focus on the most relevant findings for the country overall.

Table VI presents the results from the spatial error and spatial lag models, following the Lagrange Multipliers obtained in the OLS (Anselin and Rey, 2014). All models show increase the $R^2$-squared and decrease the AIC values in the spatial models when compared to the OLS models, indicating that, as expected, spatial models better fit the data. Anselin and Rey (2014) indicate that a reduction of more than 10 in AICs already indicates a better model. A second general observation is that the Lagrange Multiplier tests are still significant, which indicates the persistence of spatial uneveness not solved by these models. Despite that, the better fitted models from the spatial regressions enable preliminary analyses of the results for the whole country. Finally, before
presenting the results from each model, the r-squares suggest the model for human development explains more about this phenomenon than the model for inequality.

Municipalities with higher rates of government-nonprofit collaborations are associated with a lower inequality, but also to lower improvements in human development when compared to other municipalities. That is, as the summary statistics show that the minimum variation of HDI is still positive, all the municipalities in Brazil improved in human development from 2000 to 2010, but the municipalities with higher government-nonprofit collaboration improved less than the others. On the other hand, these municipalities with a higher rate of government-nonprofit collaborations had a higher improvement in terms of inequality – i.e., a higher decrease in this outcome.

Density of nonprofits seems to have a higher effect on human development than in inequality. However, this effect is negative for most nonprofit fields of activity. The only exceptions are advocacy groups, professional associations and, at 90% confidence level, nonprofits classified as “other” fields of activity. The last two kinds of nonprofits also have a significant effect on inequality, but while the density of professional associations is associated to a lower inequality, the groups of “other” nonprofits have a positive association with inequality.

The results also indicate that, for human development, spatial lag has a significant and positive effect, and for inequality the spatial error also has a significant and positive effect. Therefore, human development spreads from one municipality to the neighboring municipalities, while there are regional factors not included in this model explaining growth of inequality. Besides, variations in human development and in inequality affect each other and demographic characteristics also matter, but with a very small magnitude. State capacity only presents a significant effect on human development.
Table VI - Spatial models

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.05005** (12.854)</td>
<td>-0.10126** (-25.568)</td>
</tr>
<tr>
<td><strong>Government-Nonprofit Collaboration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate of convênios per 100,000 residents</td>
<td>-0.00015** (-10.725)</td>
<td>-0.00008** (-2.996)</td>
</tr>
<tr>
<td><strong>Nonprofit fields of activity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advocacy NPOs per 100,000 residents</td>
<td>0.00003** (2.202)</td>
<td>-0.00001 (-0.534)</td>
</tr>
<tr>
<td>Culture NPOs per 100,000 residents</td>
<td>-0.00019** (-7.796)</td>
<td>0.00004 (0.917)</td>
</tr>
<tr>
<td>Educational NPOs per 100,000 residents</td>
<td>-0.00018** (-2.559)</td>
<td>0.00004 (0.369)</td>
</tr>
<tr>
<td>Environmental NPOs per 100,000 residents</td>
<td>-0.00004 (-0.399)</td>
<td>-0.00031 (-1.564)</td>
</tr>
<tr>
<td>Housing NPOs per 100,000 residents</td>
<td>-0.00110** (-3.375)</td>
<td>-0.00045 (-0.734)</td>
</tr>
<tr>
<td>Professional associations per 100,000 residents</td>
<td>0.00018** (12.978)</td>
<td>-0.00005** (-1.962)</td>
</tr>
<tr>
<td>Religious NPOs per 100,000 residents</td>
<td>-0.00033** (-11.076)</td>
<td>0.00006 (1.114)</td>
</tr>
<tr>
<td>Social welfare NPOs per 100,000 residents</td>
<td>-0.00016** (-5.604)</td>
<td>-0.00001 (-0.254)</td>
</tr>
<tr>
<td>Health NPOs per 100,000 residents</td>
<td>-0.00114** (-8.067)</td>
<td>0.00016 (0.617)</td>
</tr>
<tr>
<td>Other NPOs per 100,000 residents</td>
<td>0.00005* (1.676)</td>
<td>0.00013** (2.317)</td>
</tr>
<tr>
<td>Difference in total population</td>
<td>-0.00000** (-6.877)</td>
<td>0.00000** (5.483)</td>
</tr>
<tr>
<td>Difference in rural population</td>
<td>-0.00000** (-3.005)</td>
<td>0.00000** (2.172)</td>
</tr>
<tr>
<td>Difference in HDI</td>
<td>-</td>
<td>0.36357** (15.147)</td>
</tr>
<tr>
<td>Difference in Gini</td>
<td>0.10170** (14.616)</td>
<td>-</td>
</tr>
<tr>
<td>State capacity</td>
<td>-0.00000** (-2.690)</td>
<td>-0.00000 (-1.600)</td>
</tr>
<tr>
<td>Spatial lag</td>
<td>0.73049** (27.062)</td>
<td>-</td>
</tr>
<tr>
<td>Spatial error</td>
<td>-</td>
<td>0.29401** (3.789)</td>
</tr>
<tr>
<td>N</td>
<td>5562</td>
<td>5562</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.29</td>
<td>0.06</td>
</tr>
<tr>
<td>Akaike Information Criterion (AIC)</td>
<td>-21,704</td>
<td>-14,675</td>
</tr>
</tbody>
</table>

**p ≤ 0.05; * p ≤ 0.10 (two-tailed tests); z-statistics in parentheses.

Source: Created by the author using data described in Section 4.2.
Tests for spatial autocorrelation continue to present significant results in the spatial lag and spatial error models. As previously explained, this suggests mixed spatial heterogeneity that could be treated with models such as the Geographically Weighted Regressions or spatial Durbin Models (Brunsdon, Fotheringham, & Charlton, 2002; Charlton, Fotheringham, & Brunsdon, 2009; Anselin & Rey, 2014). Due to space limitations and also in order to guarantee a proper discussion of the results achieved so far, this essay does not extend the analysis beyond the spatial lag and spatial error models already presented. For a regional analysis of these phenomena, for instance, of inequality in the state of São Paulo, these more detailed and regionally varying models should be used.

3.4. Discussion and conclusion

Back to the research question that guides this essay, the results from OLS and spatial models using data from Brazilian municipalities show evidence that government-nonprofit collaborations may be helpful for improving distributive issues, but these arrangements may also be detrimental for human development indicators. The density of nonprofits from different fields also affect differently human development and inequality. However, most fields of nonprofit activity have a negative association with the evolution of human development from 2000 to 2010, while their association with inequality is, in most cases, non-significant. Despite the need for further analyses on the causal mechanisms of the results obtained here, these results show that core assumptions in academia and for some practitioners – that cross-sectoral collaborations and that the density of nonprofit organizations improve societal outcomes – is not always true. This section explores the limitations, alternative explanations, and implications of these results.
A first limitation of this study is that it considers collaboration only as formal agreements (convênios) that transferred resources from the federal government to nonprofits between 2000 and 2009, and analyzes only human development and inequality as relevant societal outcomes. Nonprofit leaders perceive limitations in the mechanism of convênios and advocate for changes in this process, allowing for additional and improved mechanisms of collaboration (Plataforma OSC 2010). Some improvements were already achieved in the new regulatory framework for civil society organizations in Brazil, approved in 2014, and which is not covered in this study. A second limitation is that social outcomes cannot be exclusively attributed to a governance strategy (Fukuyama, 2013). I use these indicators, however, as “proxy results” (Rotberg, 2014, p.512) which evaluate what really matters in terms of governance. The goal of this study, however, is not to claim causal relationships. The associations identified in this research do not explain the causal mechanisms that relate nonprofits to human development or inequality. Additional, qualitative, studies need to investigate how and what links exactly nonprofits to these social outcomes. Besides, Brazilian nonprofits from different areas of the country and fields of activity have managerial specificities not considered in this study. This leads to this study’s final limitation: even with the data considered here, there are probably variations in how nonprofits and the government relate to each other. Not all convênios between nonprofits and the federal government are the same, and what makes a convênio positive or negative is beyond the scope of this research. Despite that, the results provide elements that contribute to the debate about governance.

There is a strong alternative explanation for the results obtained here, related to the endogeneity problem. That is, the relationship explained here might be the opposite: nonprofits and their collaboration with the government may be choosing to work in municipalities with low human development and high inequality, in order to reverse these indicators and improve these
communities. Previous studies, however, show that community needs and available resources exert less influence in nonprofits location than a high rate of nonprofits previously working in a municipality (Marchesini da Costa 2016). Despite this, qualitative follow-ups to this research should verify the possibility of collaborations happening in most needed municipalities.

The implications of this research should consider, first, the discussion about the third hypothesis presented in this essay. There is no evidence to reject the existence of significant spatial variation in the effects of nonprofits and their collaborations with the government on human development and inequality at municipal level. The significant Moran’s I, Lagrange Multipliers and better AICs obtained in the spatial models for human development and inequality indicate spatial autocorrelation among them. These findings suggest that nonprofits interested in human development and the reduction of income inequality should develop activities with a more regional focus, given that human development spreads across different units and inequality is influenced by regional factors. Partnerships between nonprofits and the federal government should also explore this regional aspect. Also, future research should analyze if these results are affected by other governance arrangements not included in this essay, such as contracts between nonprofits and state governments, or inter-municipal consortiums.

The first hypothesis stated that collaboration involving financial transfers from the government to nonprofits would lead to improved human development and would not be related to income inequality at municipal level. The results from all the models indicate very different results: government-nonprofit collaborations are negatively associated both to human development and inequality. There is evidence, then, to reject this hypothesis. These findings contradict the general argument that nonprofits are potential service providers that should be included in governance arrangements (Salamon and Toepler, 2015), but they also refute the claims
that collaborations remove nonprofits from having structural impact on society (Banks, Hulme, and Edwards 2015). Future studies should explore the causal mechanisms that explain these results. The situation in the period analyzed, from 2000 to 2010, suggests that collaborations present worse results to human development than other governance arrangements, but government-nonprofit partnerships activate distributive channels for income in municipalities.

Finally, the hypothesis about the nonprofit fields of activity stated that nonprofits closely related to service provision improve human development, while nonprofits from fields closer to expressive roles reduce inequality in each municipality. Most of the results contradict this hypothesis, as no typical service provider field of activity is positively associated with the improvement of human development. This positive association only happens with two expressive fields of activity – advocacy groups and professional associations. Besides, the density of nonprofits from most fields of activity is not related to inequality. The exception that seems to reduce inequality (professional associations) comes from expressive fields, as expected. Additional studies should analyze in further details what differentiates the action of professional associations, making the density of these organizations have this positive effect.

This study raises more questions than presents answers. There are several possible follow-up analyses for this research. The focus here was on a general analysis of collaboration, and not on detailed regional investigations. The results, nonetheless, show that there are spatial processes linking nonprofit density and government-nonprofit collaborations to distinct societal outcomes. This being given, are the results from collaborations between the government and religious nonprofits different from the results between the government and cultural organizations? Are these processes in Bahia the same as in Rio Grande do Sul? What are the factors influencing nonprofits in a successful collaboration and in a successful autonomous action, in terms of societal outcomes?
in Brazil? These are just some of the possible questions for the improvement of governance practices. Finally, if governance arrangements are considered in terms of their outcomes other dimensions should also be considered, such as the impact of these arrangements on violence or on democratization and political culture. Hopefully this essay contributes to show that answers are not simple and there is no magic solution to solving these complex societal outcomes.
4. Essay 3: Mapping Paths for Improved Nonprofit Impact on Society

This essay explores factors that influence outcomes of nonprofit action, both when these organizations work more autonomously and when they collaborate with the government. Previous studies do not indicate the conditions under which one of these different forms of action might be more effective. Research indicates that nonprofits can benefit society economically, socially, and politically (Boris 2006; Enjolras 2015) and that several of these organizations have contributed to improve public policies and to provide services for needed communities (e.g., Maguire, Hardy, and Lawrence 2004; Boris 2006; Anheier 2014). There may be factors, however, which preclude or limit nonprofits’ ability to produce their intended social benefit. To be clear, the nonprofit sector is diverse and may include civil society organizations that promote hate, segregation, and violence (Armony 2004; Dodge and Ospina 2015). However, nonprofits that aim for social improvement may not be able to achieve their goals due to certain characteristics of their working arrangement. Therefore, this essay analyzes which factors influence nonprofits’ ability to produce social outcomes in two key situations: when nonprofits choose to collaborate with the government, and when nonprofits work through other arrangements not explicitly collaborating with the government.

To collaborate or not with the government is a core question for nonprofits aiming to improve society. Nonprofit leaders may be interested in government funding or other resources available in partnerships with the public sector to develop their activities (Gazley and Brudney 2007), but these nonprofit actors may also fear that, by collaborating with the government, their organizations will lose independence and damage their relationships with other partners outside the government (Guo 2007; Gazley 2010). Despite conflicting nonprofits’ motivations, a common argument is that cross-sector collaborations present an opportunity to improve results to society
(Milward and Provan 2000; Salamon and Toepler 2015). The logic in this argument is that governments are not capable of solving all complex problems in society, and that private actors have complementary qualities that may lead to improved outcomes when partnering with the public sector (Milward and Provan 2000). The concept of governance proposes the use of collaborative tools – such as contracts, grants, or other forms of partnership that may or not include funds being transferred from the government to private organizations – to solve complex social problems, instead of trying this solution through direct government action (Salamon 2002b).

Recent studies, however, suggest a careful evaluation in each case, in order to verify whether there is a clear advantage in developing cross-sector collaboration (Bryson, Crosby, and Stone 2015). Assessments on the outcomes of governance arrangements show conflicting findings. While some studies claim, for instance, that nonprofit leaders and government officials perceive better levels of quality of services and programs provided to the community through these collaborations (Gazley and Brudney 2007), other analyses emphasize that nonprofits receiving government funding lose their focus on policy goals, and start to prioritize the continuity of that funding relationship (Mosley 2012). Considering the broad range of collaborative practices, the diversity in the nonprofit sector, and a highly diverse profile of government agencies, collaboration may be good in some cases but detrimental to society in other instances. Therefore, it could be helpful to identify what contributes to distinct outcomes when nonprofits collaborate with the government and when they act on their own.

This essay advances the field by exploring the pathways to success and failure of these two different types of action. Specifically, it asks two research questions: (1) how does nonprofit action affect societal outcomes? That is, which factors influence the link between nonprofit action and its impact on society? Moreover, within this larger question, a more specific question: (2) what factors
explain the different pathways of success for nonprofits acting autonomously or in collaboration with the government? That is, considering a nonprofit intending a certain societal improvement, the goal is, first, to identify what factors influence the ability of that nonprofit to produce this outcome and, second, the differences in these factors when the nonprofit organization collaborates or not with the government. This essay, thus, develops knowledge in an area that to date is unexplored in the literature. It does so by integrating three literatures that are often treated separately: governance studies on the outcomes of government-nonprofit collaboration (e.g., Ansell and Gash 2008; Bryson, Crosby, and Stone 2015), analyses on the motivations and challenges for collaboration (e.g., Gazley and Brudney 2007; Gazley 2010), and research on the outcomes of nonprofits in general (e.g., Enjolras 2015).

This study also innovates by using the Brazilian case to analyze governance arrangements. Most analyses consider governance in developed countries. This essay builds on previous models of collaborative governance to verify, in the conditions of a developing country, not only the crucial variables for a successful collaboration, but also how these factors vary for a nonprofit organization that does not collaborate with the government. Additionally, existing models discuss what makes a successful collaboration, but often these studies do not clearly define ‘successful.’ In this sense, it is unclear whether a successful collaboration is one that lasts longer, one that most benefits the individuals participating in it, or one that benefits society. The existing models also do not discuss what would be different if government and nonprofits worked separately. Therefore, it is unknown what would change in the absence of collaboration, when nonprofits act autonomously. To solve these limitations, this essay consistently compares collaboration to the alternative of a more autonomous action, and defines ‘successful’ as the governance arrangement that results in the intended societal improvement.
Considering the diversity of the third sector and the challenge of identifying what influences nonprofits from different fields of activity acting in distinct areas of Brazil, this essay uses exploratory interviews with nonprofit leaders who are representative of the larger fields of activity in the Brazilian nonprofit sector, and who are experienced in autonomous action and collaboration with the government. That is, the interviewees are nonprofit professionals working at leading positions in their organizations and they work in associations of nonprofits or other representative roles. Therefore, the interviewees have knowledge from their own experience and a broader knowledge of experiences from other nonprofits in Brazil. Many individuals interviewed were chosen by other nonprofit leaders to represent the Brazilian third sector from 2012 to 2014 in the negotiations with the federal government for a regulatory reform on government-nonprofit collaborations (Plataforma OSC 2010). I detail the logics and strategy for selecting interviewees in a separate methodological section but, in summary, this paper analyzes influences on nonprofit action, as nonprofits’ leaders and representatives perceive them. This convenience sample gives access to high-level leaders who can provide preliminary insights valuable for theory building, given their knowledge and experience on different nonprofit arrangements. Future studies can discuss if these perceptions accurately identify factors that influence nonprofit action.

Based initially on models of collaborative governance (e.g. Ansell and Gash 2008; Emerson, Nabatchi, and Balogh 2012; Bryson, Crosby, and Stone 2015), this research explored combinations of factors that help to explain nonprofits’ success or failure in different governance arrangements. Next, I compare theoretical arguments to data from interviews. In contrast to the literature that highlights certain positive aspects of collaborative governance, this study discusses variations that may lead to success or failure in different contexts. Resources, for instance, are critical for achieving nonprofits’ intended outcomes, but funding may be detrimental to the
outcomes of a government-nonprofit collaboration, if it creates dependence and limits nonprofits’ innovative and dynamic action. That is, not only different governance arrangements may lead to different outcomes, but also a given variable may lead similar governance arrangements to different outcomes, depending on its combination with other factors. Following this logic, I identify organizational, relational, and contextual influences on nonprofit action.

Organizational factors refer to the internal characteristics of a nonprofit organization. The most relevant organizational influences on their outcomes come from their access to resources and their management. A nonprofit with guaranteed access to resources has, other things being equal, more chances to achieve its intended societal outcome than a less endowed nonprofit, independent from collaboration with the government or autonomous work. Similarly, a properly managed nonprofit, with capable leaders and some adequate processes, has more chances to succeed in outcomes, although collaboration with the government may be a destabilizing factor for good management. That is, collaborations with the government often require procedures and obligations that consume a lot of nonprofits’ time and resources, weakening managerial practices that contribute to organizational sustainability, such as relationships with stakeholders other than the government. This connects to relational factors, which refer not only to collaboration with the government, but to how the network in which nonprofits work help or limit their intended effect on society. The starting conditions of collaboration are critical for achieving the intended impact on society in collaborative arrangements. At the beginning of partnerships, power must be similarly distributed between partners, or there should be a commitment to equalize these relationships (Ansell and Gash 2008). Besides starting conditions, the collaborative process itself may improve or create barriers to achieve the intended goals, as previous collaborative governance models indicate (Ansell and Gash 2008; Bryson, Crosby, and Stone 2015) and interviews in this
project confirm. Finally, the contextual factors that influence nonprofit outcomes relate to legal, political, geographical, and other external factors that change the environment for nonprofit action. If there are legal requirements to action in certain fields, as is the case of social welfare nonprofits in Brazil, which must be free of charges for users and totally financed by the government, the possibility of working autonomously practically disappears, limiting nonprofits’ possibility to develop innovative solutions. Political changes and instability compromise the work of nonprofits that collaborate with the government, jeopardizing the continuity of projects, especially when involving negotiations with high government executives and decision makers, given that a new administration usually replaces these individuals in Brazilian government.

Putting together these influences leads to an exploratory identification of successful and unsuccessful paths of nonprofit action in Brazil. Nonprofits with more stable access to resources and a professionalized management can afford to collaborate with the government even without a complete alignment between their goals. The societal gain from these collaborations usually comes from a larger scale to projects or services already previously provided by government and nonprofits separately. Nonprofits with more limited action and a less professional management have better chances of achieving their intended goals if they work more autonomously or by collaborating with other civil society organizations. In this case, a typical gain for society is the development of innovative projects and solutions to social problems.

In summary, this essay offers an exploratory understanding of the broader societal impact of nonprofit action, working in partnership with the government or more autonomously. The remaining sections present, first, arguments from the literature discussing factors that influence nonprofits’ impact on society. Section 3 presents the methodological approach adopted in this research. Section 4 uses data from interviews in Brazil to integrate factors and present paths of
improved nonprofit impact on society, and paths that reduce this impact, both during autonomous action and during collaboration with the government. Finally, section 5 indicates the broader implications, suggestions for future studies, and limitations in this analysis.

4.1. Literature review

This literature review first defines key concepts adopted here. Second, it situates this essay in the collaborative governance literature. Follows a discussion on nonprofits’ impact on society. Finally, extracting from these literatures, this section identifies possible influences on nonprofit action in collaborations with the government and when acting autonomously.

4.1.1. Definitions

A key challenge for nonprofits’ is in determining their impacts on society. In a recent review to this issue, scholars in Europe joined the Third Sector Impact Project.14 This initiative debated definitions of outcomes and impacts. For some, outcomes are the short-term changes, while impacts are the long-term changes to individuals or communities, as a result of a program or activities of an organization or a sector (Sokolowski 2014; Kamerāde 2015). Others claim that outcomes are the state of a target group after an intervention, while impacts are the changes that can actually be measured and attributed to that intervention (Simsa et al. 2014). The goal in this research, however, is not a measure, but an identification of factors that influence the result of nonprofit action – in the short or the long term. Therefore, impacts and outcomes appear here interchangeably.

This study distinguishes collaboration from autonomous action. Collaborations are “formalized, joint-working arrangements between organizations that remain legally autonomous while engaging in ongoing, coordinated collective action to achieve outcomes that none of them could achieve on their own” (Cornforth, Hayes, and Vangen 2014, 3). However, this definition has two aspects that deserve attention. First, while this definition argues that collaboration necessarily results in improved outcomes, recent studies criticize this assumption (Bryson, Crosby, and Stone 2015). This paper follows a more skeptical view of collaborations, and the next subsection discusses this issue in further details. A second potential criticism to the definition of collaboration above is that some researchers consider informal arrangements also as collaborations (e.g. Gazley and Brudney 2007). Informal relations, however, blur the distinction between collaboration and autonomous action. Some degree of interaction – such as participating in a meeting – may happen even if these organizations do not intend to join their efforts with one another. Collaboration here, therefore, requires a formal constraint. Autonomous action, on the other hand, assumes an organization conducting its own actions, agenda, and rationale without constraints imposed by other actors. I acknowledge, however, that influence may happen even in the absence of formal mechanisms (Lukes 2005). The concept of power helps to check the conditions under which nonprofits decide on their actions, agenda, and rationale.

Previous research extensively indicates the need to address power issues in collaborations (Bryson, Crosby, and Stone 2006; Ansell and Gash 2008; Purdy 2012; Tollefson, Zito, and Gale 2012). This essay adopts the perspective of power as a three-dimensional phenomenon (Lukes 2005). In the first dimension, power is an observable capacity to influence other actors’ behaviors (Dahl 1957; Lukes 2005). This happens, for example, if a government forces a nonprofit to cease its activities. The second dimension claims that power may influence another actors’ agendas and
priorities (Bachrach and Baratz 1962; Lukes 2005). That is, the government has power over a nonprofit not only when forcing a nonprofit to do something, but also by influencing this nonprofit to work only in areas that avoid conflict with the government. Finally, a third dimension of power indicates that influences of a more powerful actor can be pervasive and change the way that the least powerful actor reflects about the world and its own role (Lukes 2005). This form of power can make the least powerful actor adjust its rationale to the interests of more powerful actors (Lukes 2005). Thus, when considering the understandings of collaboration and autonomy presented previously, it is necessary to question if the decision to work in each of these arrangements results from – or enables more instances of – these three dimensions of power.

4.1.2. Collaborative governance

As collaboration becomes a “staple of public administration research” (Bryson, Crosby, and Stone 2015, 1), there is growing literature in collaborative governance (e.g., Ansell and Gash 2008; Provan and Kenis 2008; Emerson, Nabatchi, and Balogh 2012; Bryson, Crosby, and Stone 2015). The focus in these studies moves from analyzing government agencies to discussing government tools that may mobilize different actors in arrangements toward solving public problems (Salamon 2002b; Kettl 2015).

Analyses of cross-sector collaboration lead to several research projects in collaborative governance. Some models discuss the characteristics of networks formed in governance arrangements (Provan and Kenis 2008) while others discuss the different collaborative regimes (Emerson, Nabatchi, and Balogh 2012). This essay, however, relates to an increasing concern in explaining the success of collaborative arrangements (Ansell and Gash 2008; Bryson, Crosby, and Stone 2015). This essay intends to identify what factors influences the impact of nonprofits on
society when these organizations work autonomously or in partnership with government. The existing models of collaborative governance are starting points for this research. Bryson, Crosby, and Stone (2015) conducted a review of collaborative governance models that is particularly helpful. Ansell and Gash's (2008, 543) model has a partially similar goal of “identify[ing] critical variables that will influence whether this mode of governance [collaborative governance] will produce successful collaboration.”

Research on collaborative governance is a valid starting point to distinguish influences on nonprofits’ outcomes in general, given that complete autonomy from the government may not be a realistic and stable condition for many nonprofits. Nonprofits, like any other organization, must comply with legislation, file taxes, and have a variety of formal and informal relationships with the government. Overviews of collaborative governance acknowledge that collaboration is a continuum in which, at one end, organizations hardly relate to each other, while at the other end organizations may merge into a new entity (Bryson, Crosby, and Stone 2015). Therefore, models of collaborative governance reflect different degrees of nonprofits’ realities.

This essay goes beyond assessing collaboration by also examining nonprofits’ autonomous action. Nonprofits may choose to work more autonomously, and it is important to understand what affects nonprofits’ ability to produce outcomes in each case. Therefore, it is necessary to verify (a) whether components of previous collaborative governance models resonate with data collected in Brazil, (b) whether other factors should be added to these models, and (c) how the variables interact, linking nonprofit action and societal outcomes, during autonomous action and in government-nonprofit collaborations. Different organizations may choose to collaborate or to avoid relationships, based on the circumstances in each case. This view introduces the need to understand specific characteristics of each type of organizations participating in cross-sector
collaborations. Considering this essay’s focus on nonprofits, the next section introduces elements of this literature related to the impact of these organizations.

4.1.3. Nonprofits’ impact

Nonprofits’ literature presents intended and unanticipated nonprofit impacts on society (Simsa et al. 2014). Empirical evidence indicates that nonprofits affect society by enhancing democracy, building communities, reducing crimes, and improving population health (Kamerāde 2015). The individual benefits, which could accumulate and benefit communities at large, include income generation, enhanced employability, improved mental and physical health, and psychological well-being (Kamerāde 2015). Other potential areas of nonprofits’ impact are on the quality of life, innovation, civic engagement, empowerment, advocacy, community building, human resource qualification and satisfaction, besides economic impacts (Simsa et al. 2014). Again, nonprofits’ impact in these areas can also be detrimental to society (Armony 2004; Dodge and Ospina 2015).

There are concerns on how to evaluate nonprofits’ impacts. When assessing the impact of nonprofits, it is necessary to consider variation in these effects. Nonprofits are a diverse sector with multiple factors that differentiate these organizations (Anheier 2014). These organizations differ, for instance, in terms of their fields of activity, the geographical areas where they work, their management, and each of these factors may influence their societal outcomes (Marchesini da Costa 2016; 2017). There is no standard method for evaluating nonprofits’ impacts or for what these evaluations measure (Simsa et al. 2014). Kamerāde (2015; 43) also claims that several studies simply assume that nonprofits are beneficial, which made her conclude that “there is an urgent need to refocus the research effort back on the impacts that third sector can be better suited
to create than either public or private sector.” That is, a proper evaluation of the third sector’s impact requires comparisons of these results with the results of government and private, for-profit, companies.

The following subsections present three groups of elements that the literature indicates as influencing nonprofits’ impact on society: organizational, relational, and contextual factors. Among other elements that may have an influence on nonprofit action, the ones presented here appear throughout the collaborative governance literature and in the interviews with nonprofits’ leaders in Brazil. To be clear, the next subsections merely point out factors that appear in the literature as influencing nonprofits’ outcomes. Section 4.3 later explores the interconnections of these elements in typical paths of success and failure of nonprofits in achieving their goals.

### 4.1.4. Organizational influences of nonprofit impact

Organizational characteristics are the factors in each nonprofit that affect its outcomes both when working autonomously and when collaborating with the government. This subsection explores two main organizational factors mentioned by the literature as influencing nonprofits’ outcomes: access to resources and management.

#### 4.1.4.1. Access to resources

Following a resource dependence approach, the more a nonprofit has diverse and stable access to resources, the more autonomous that nonprofit is (Pfeffer and Salancik 1978; Casciaro and Piskorski 2005). Autonomy relates to the extent to which organizations can pursue their own goals without external interference on their actions, agenda, or rationale (Lukes 2005). Conversely, dependence on a funding source affects nonprofits and their expected outcomes (Froelich 1999).
That is, nonprofits need resources to act, but becoming dependent on a specific source of funding may influence the outcomes of that action.

Research shows that each funding source influences nonprofits’ activities in a specific way: government resources may allow political advocacy, but they reduce social capital building, while individual donors have the opposite effect – enhancing social capital and limiting political advocacy, and foundations’ funding enables more citizen engagement (Moulton and Eckerd 2012). With these different impacts also come certain challenges to adjust to each of these sources. A closer look at nonprofits that depend on the government, for instance, reveals adjustments of nonprofits’ decisions regarding their working procedures, results, and target group, in order to access public funding (Verschuere and De Corte 2012). In the case of collaborations, it is also necessary to ensure that resources obtained in these arrangements provide the necessary means for action, given that budgetary or staff restraints also limit the outcomes of government-nonprofit collaborations (Gazley 2010).

In summary, previous studies mention nonprofits’ access to resources and different sources of funding as a critical influence for nonprofits’ outcomes, both when collaborating with the government and when working autonomously and relying on other revenue sources. In order to remain autonomous and able to achieve its goals, Froelich (1999) proposes a balanced action using multiple sources of revenue, but this author also highlights the management challenges of dealing with multiple funders.

4.1.1.2. Management

Management influences the outcomes of nonprofits in multiple ways. Previous studies establish that “management strategies have a strong effect on network outcomes” (Ysa, Sierra, and Esteve 2014,636). Related to the previous point – access to resources – fund-raising and the
management of existing dependences are critical for nonprofits’ financial stability (Froelich 1999; Malatesta and Smith 2014).

The literature on collaborative governance emphasizes the role of leaders for a successful collaboration (Bryson, Crosby, and Stone 2006; Emerson, Nabatchi, and Balogh 2012). Emerson, Nabatchi, and Balogh (2012, 9) argue that an essential driver in a collaborative arrangement is an identified leader who “is in position to initiate and help secure resources and support” for a collaborative governance regime. Ansell and Gash (2008) also highlight the importance of a facilitative leadership in empowering and including different parts of a collaborative arrangement. Leadership that enables governance arrangement may be from outside nonprofits, such as a professional mediator, or from within (Ansell and Gash 2008). Bryson, Crosby, and Stone (2015) argue that, although we do not know much about which specific characteristics matter in each case, leadership is important to initiate and to maintain cross-sector collaboration. Once established the collaborative arrangement, the leadership and actions of a political sponsor may limit the outcomes of government-nonprofit collaborations (Gazley 2010).

Besides the influence of leadership capabilities, the literature mentions as indicators of nonprofits’ management capacity: a clear and formal mission statement, a strategic plan, systems for human resources and information technology, and independent financial audit (Sowa, Selden, and Sandfort 2004). The existence or absence of these management components relate to the effectiveness of nonprofits’ impact (Sowa, Selden, and Sandfort 2004), but how these organizations interact with their network also plays an important role in this process, as discussed in the following subsection.
4.1.2. Relational influences on nonprofit impact

Besides internal characteristics of nonprofits, the way these organizations relate with other actors also affects their outcomes. Nonprofits have other relationships besides the government. Partnerships with other civil society organizations or informal groups may be equally relevant for achieving nonprofits’ goals (Guo and Acar 2005). That is, being autonomous from the government does not mean working in complete isolation. Therefore, it is important to understand the influence of relationships in general on nonprofits’ outcomes. This subsection explores the influence of the starting conditions of collaborations and the collaborative process itself.

4.1.2.1. Starting conditions of collaboration

The initial conditions of collaboration are relevant because potential partners may have to adjust their different views and definitions of problems, besides distinct plans for action (Simo and Bies 2007; Bryson, Crosby, and Stone 2015). A big power differential between partners often leads to unsuccessful collaborations because the most powerful actor may impose its agenda and priorities over other actors, if this powerful actor is not committed to take actions to equalize power in that partnership (Bryson, Crosby, and Stone 2006; Ansell and Gash 2008).

Ansell and Gash (2008) also claim that, in case of a pre-history of antagonist relations between partners, there should be steps to restore the trust at the beginning of collaboration. It is not clear, however, how the less powerful actors could be sure about the intentions of the more powerful partners. This may be particularly troublesome in nonprofit collaborations with the government, given that, being a complex actor with multiple agendas, the government’s commitment to equalize power with its nonprofit partners may be continuously subject to setbacks.

A big power differential or antagonist relationships affect the outcomes of collaborative arrangements through their influence on the governance structure of that arrangement. Takahashi
and Smutny (2002) argue that the conditions characterizing the window of opportunity that initiate the collaboration affect its governance structure, which would become difficult to change after this initial moment. That is, according to these authors, the conditions that create collaboration may lead to its short-term demise due to a lack of adaptability to changes (Takahashi and Smutny 2002).

In summary, given that actors may not be totally aligned regarding the methods, goals, and priorities in a collaboration, power differentials and previous antagonist relationships compromise the outcomes of these arrangements. Besides the starting conditions, the collaborative process itself influences the outcomes of these arrangements.

4.1.2.2. Collaborative process

There are different forms of collaboration. Nonprofits may partner in developing a project, they may share facilities and other resources, or may simply attend a meeting with other organizations. Each of these relationships leads to different potential outcomes. Considering nonprofit partnerships with the government, a contract for service provision may have very different outcomes than participating in a policy council, for instance (Mosley 2012; Moulton and Eckerd 2012; Malatesta and Smith 2014). A first relevant issue in the collaborative process, therefore, is the form of relationship established.

Besides the formal arrangement, however, there may be highly different procedural treatments. Ansell and Gash (2008) highlight that participatory inclusiveness, forum exclusiveness, clear ground rules, and process transparency contribute to a successful collaboration. Emerson, Nabatchi, and Balogh (2012, 11) claim that a “principled” engagement in a collaborative process follows a continuous sequence of discovering each participant’s interests, values, and concerns, defining the shared meanings, deliberating, and making procedural and substantive determinations. The unwillingness of partners to share resources and information are
potential limits to the outcomes of government-nonprofit collaborations mentioned in the literature (Gazley 2010). A successful engagement process in collaborations may lead to higher perceived legitimacy (Fung and Wright 2003; Emerson, Nabatchi, and Balogh 2012).

In summary, the outcomes of nonprofits depend not only on their own organizational characteristics, but also on the relationships established by that nonprofit. Particularly, influences on the outcomes come from the starting conditions of collaborations and from the collaborative processes established between nonprofits and their partners. All these factors may suffer an external influence of the environment, as explained in the following subsection.

4.1.3. Contextual influences on nonprofit impact

Nonprofits work in a social, political, cultural, and environmental context that creates opportunities and constraints for action, influencing their final outcomes (Simsa et al. 2014; Enjolras 2015). These influences are also important when nonprofits collaborate with the government. Bryson, Crosby, and Stone (2015, 649) claim that “determinants of the collaborative governance regime are rooted in the external context, including resource conditions, policy and legal frameworks, and politics and power conditions.” Emerson, Nabatchi, and Balogh (2012) also stress the importance of the context for collaborative governance, by stating that contextual elements such as an election, the weather, and the economy may influence nonprofit action.

The geography where nonprofits work combines multiple external factors affecting their outcomes. Different regions have distinct accountability environments, with a variety of institutions and stakeholders with particular characteristics and interests (Ostrower and Stone 2015). Considering the space where they work and the historical moment, nonprofits could provide resistance to authoritarian or illegitimate governments or, in more stable democracies, these same
nonprofits could focus on other actions, including collaborations with the government (Fung and Wright 2003).

Nonprofits deal with multiple accountability environments. These organizations are accountable, for instance, to their government regulators or resource suppliers, in an upward accountability (Ebrahim 2010). There is a downward (Ebrahim 2010) or external (Ostrower and Stone 2015) accountability to beneficiaries and communities impacted by those nonprofits. Finally, there is also an inward accountability to the nonprofits themselves – i.e., to their staff and volunteers (Ebrahim 2010). The political context affects these accountability environments and the image of and trust in nonprofits. For example, a comparative study in Norway and the Czech Republic found that volunteering does not increase social trust where institutions are identified as reliable and impartial, but a positive experience with volunteering increases social trust where the institutions are considered corrupt and untrustworthy (Sivesind, Pospíšilová, and Frič 2013).

Having briefly presented the organizational, relational, and contextual factors that affect nonprofits’ outcomes by influencing their action, the next section presents the methodological approach and choices of this research.

4.2. Methodological approach

This essay develops an exploratory study of factors influencing nonprofit outcomes when these organizations work in collaboration with the government or more autonomously. The purpose here is to contribute to theory building around issues of collaborative governance and nonprofits’ outcomes. This contribution is pursued through a positivist approach that captures individuals’ perceptions about nonprofit actions and their outcomes, and assumes them as external and objective. Data for this study comes first from a convenience sample of individuals with
extended personal experience in the Brazilian nonprofit sector and knowledge of the sector overall. Snowball sampling based on indications during the first interviews enabled the identification of additional interviewees. This strategy is better suited to the purpose of this research than the alternatives of a survey applied to a randomly selected sample or a purposeful case study. A survey with a predetermined set of constructs coming from the existing theoretical models would limit the identification of variables that influence the outcomes of nonprofit organizations and government-nonprofit collaborations (Flick 2008). Interviews enable the registration of examples, with rich descriptive details, of nonprofit action and its connection to societal outcomes. On the other hand, given the level of generalization intended here, case studies would also not be adequate because they would not reveal relevant variation among different instances of the phenomenon (Flick 2008).

Following a purely deductive reasoning, this research would verify how the variables identified in collaborative governance models apply to Brazilian collaborative arrangements. The approach here, however, is not purely deductive because it also expects variables related to nonprofit action to emerge from the data (Luker 2008; Tavory and Timmermans 2014). Therefore, this research follows an iterative process between theory and data. The set of factors influencing nonprofit action discussed here comes from the existing literature, but also from data collected of Brazilian nonprofits. That is, among different theoretical lenses and issues presented in the literature, this essay discusses in greater details those factors that make sense for leaders of nonprofit organizations in Brazil. Interviews with individuals experienced in nonprofit action and collaboration with the government – who are also representative of the sector in terms of main nonprofit fields of activity and regions of the country – provide the necessary data for this analysis.
The following subsections detail the criteria for selecting the interviewees, the strategies for the interviews, and the process of data analysis.

4.2.1. Interviewees’ selection

Fourteen interviews conducted in 2014 and seven additional interviews in 2017 provide the primary data for this study. This is a convenience sample that includes leaders from nonprofit associations and influential nonprofits that work in the larger fields of third sector activity in Brazil and who have experience in a broad range of activities, both collaborating with the government and working more autonomously. As leaders in influential nonprofits in Brazil, these individuals have accumulated a large personal experience working in nonprofits – both more autonomously and in different forms of collaborations. Without this extensive experience, these individuals would not achieve leadership roles such as presidents, directors, and general managers within their organizations, which constitute their titles at the nonprofits at the time of the interviews. Additionally, these individuals have a deep knowledge of the challenges faced by several other nonprofits, given their positions as leaders in nonprofit associations, representing other nonprofits at policy councils, and working at the headquarters of large nonprofits with several branches, among others.

The goal in selecting interviewees was not to perfectly represent all Brazilian nonprofits, but to identify typical paths through which nonprofits achieve their intended outcomes or not. The interviewees reflect the experiences of a broad range of nonprofits, particularly in the geographical areas that are as dense in terms of nonprofit activity (Marchesini da Costa 2016). These individuals are also high-level leaders who have knowledge of a wide array of the experiences of Brazilian nonprofits and can speak knowledgably about this diversity of experience. Therefore, the
combination of factors searched in the interviewees (substantial personal experience and knowledge of the nonprofit sector at large) could bias the results towards the most active, visible, and relevant sectors of nonprofit activity in Brazil. This is not an issue for this research, considering the goal of exploratory theory building related to identifying typical paths of success and failure for nonprofit action.

In Brazil, religious nonprofits, followed by professional associations and advocacy groups are the largest fields of nonprofit activity (IBGE 2010). Many religious organizations, however, also provide health, education, and social welfare services. In addition to the biggest fields of activity, the search of nonprofit leaders in terms of their personal experience and knowledge of the sector overall revealed an additional relevant group in the Brazilian third sector: corporate foundations and family foundations which are currently very powerful and influential in Brazil. Also, most nonprofits in Brazil locate in the Southeast of Brazil, followed by the Northeast and the South. Interviewees here were mostly the leaders in these larger and most influential nonprofits. Additionally, in twenty-one interviews, ten individuals come from organizations acknowledged as leaders by other nonprofits. For example, in recent years many of them were chosen by other nonprofits to discuss reforms in legislation with the Brazilian government (Plataforma OSC 2010). Appendix C presents a list of the interviewees and the main characteristics of their activity.

Sources for this essay also include four government officials interviewed in 2014. While nonprofit leaders are informative of the variables that influence the outcomes of nonprofit action based on their experiences, government officials provide the government’s perspective on how and why collaborative action may be desirable for society, and what are the barriers in this process.
Government officials usually do not help to identify what influences nonprofit autonomous action, but they are helpful in identifying factors that explain success or failure of collaboration.

4.2.2. Interviews’ strategy and data analysis

Interviews in this study aim to identify critical factors that influence nonprofits, affecting their outcomes. By identifying, describing, and discussing the most prominent factors influencing nonprofits’ action, it is possible for future studies to articulate how these crucial variables relate to causal mechanisms leading to societal outcomes (Falleti and Lynch 2009).

The interview questions were designed to be easily understood but without influencing the interviewee, which could bias the results (Kvale 2008). When necessary, I adjusted the questions during the interviews to clarify certain aspects of previous answers. The general questionnaire adopted follows as appendix D. I also asked permission to record the audio and take notes during the interviews. Interviews occurred in Portuguese. As a native speaker, I conducted the interviews.

Immediately after the interviews, I listened to the audio recordings, transcribed the interviews, and coded them using the software Atlas.ti. The transcriptions and coding process enable the recovery of key elements and insights, avoiding a biased memory of the interviews (Tavory and Timmermans 2014). I coded the interviews initially using topics debated in the literature. Additional codes or levels of coding, however, were added when the data and insights from the analysis suggested this need (Kvale 2008). For instance, ‘experience in collaboration’ is a deductive coding based on previous research (Ansell and Gash 2008) while the interviews indicated a need to include codes distinguishing ‘sources of funding.’

The purpose of coding was, first, to identify variables that affect the outcomes of nonprofits and government-nonprofit collaborations, relating evidence from the interviews with arguments
from the theory. A second purpose of coding was to identify how different factors interact, revealing possible paths to societal outcomes.

Data collected and coded in interviews were compared to different parts of the same interview and to the subsequent interviews, in order to find similarities and dissimilarities in the results, enhancing data reliability (Flick 2008). Some of the interviewees are also experts with academic degrees and research related to the topic of this essay, which reinforces the validity to the results obtained here. At the end of the analysis, it was possible to collect multiple examples of nonprofit action – working autonomously and collaborating with the government – drawn from a reasonably representative set of interviews. This enabled the identification of factors that influence nonprofit ability to produce societal outcomes, as presented in the previous section (4.1). The next section presents data from the interviews, discussing paths of nonprofit success and failure when working autonomously or in collaboration with the government.

4.3. Paths of nonprofits’ outcomes

The typical path of successful nonprofit action when working autonomously depends on adequate resources, good management, and a favorable context which enables freedom for action and political stability. Similarly, success when collaborating with the government depends on these same elements, but also requires capable leaders, a reasonably equal power distribution and partners committed to the collaborative process. Success in both cases tend to be different: it relates to innovative projects and civil society mobilization when nonprofits work autonomously and scale-up projects and influence on policies in case of government-nonprofit collaborations. As a reminder, success or failure here depend on the achievement of intended goals, as perceived by the nonprofit leaders. The following subsections detail these elements.
4.3.1. Nonprofits’ successful autonomous action

Nonprofits’ success in achieving their goals when working autonomously depends, first, on certain organizational characteristics. Formally, in Brazil, the third sector includes the organizational forms of associations, religious organizations, and foundations (IBGE 2010). Foundations manage endowments, usually instituted by private companies or wealthy families. These foundations are typically bigger and more structured than associations formed by individuals, partially due to their more stable access to funds, connections, and other resources. Interviewees from associations of corporate and family foundations claim that these organizations typically operate their own programs and projects. A common opinion among nonprofit leaders interviewed for this essay, based both on their experience and knowledge of the sector in general, is that a more stable access to resources makes nonprofits in general more likely to achieve their intended goals.

Corporate foundations are nonprofits maintained by private for-profit firms. Interviewees are unanimous in pointing out that these nonprofits have a higher capacity to influence public policy. These organizations have funds and carry reputation from their funders, which often makes potential beneficiaries more open to receive their programs and actions. A traditional foundation in Brazil, for instance, carries the name of a private bank, which funds this organization and enables long-term projects such as schools of various levels that have operated for decades. According to several interviewees experienced in this group of nonprofits, their higher focus is the field of education, followed by other policies focused on long-term effects, such as policies for the youth. Stable funds enable a higher capacity of impact for corporate or family foundations, as mentioned by a nonprofit leader that works in the association of these nonprofits in the state of
São Paulo: “we have [nonprofit] organizations that work [autonomously] with education on the long term. Because if you are dependent on contracts with the government and there is a new election, often you have to finish your project in a maximum of four years [i.e., the time between elections], and in four years you do not change anything in terms of education.¹⁵” That is, according to this argument, only nonprofits with stable resources to act in the long term may have an impact on areas such as education.

A stable access to resources also enhances the chances of achieving the intended outcomes by allowing greater autonomy. Guaranteed or more stable access to resources enables nonprofits to decide when and how to act. An interviewee from an influential religious organization mentions that, when funded by foreign aid foundations, nonprofits have more freedom to decide how to work. The same interviewee says that a more autonomous action enables nonprofits to develop their own projects and methodologies, following their own timing. Therefore, funds from international foundations seem to have less ties and obligations that affect nonprofit action, enabling more autonomy for nonprofits. Nonprofits mentioned in the interviews that receive these funds usually focus their actions on social service provision in general, community organizing, and advocacy actions, suggesting a goal of producing structural changes in society.

Several interviewees mention that corporate nonprofits and organizations funded by foreign aid foundations accomplish successful action in hundreds of cities in Brazil. In certain regions, these nonprofits may be more powerful than the local governments. Interviewees that work in these kinds of nonprofits mention examples of their organizations being called by elected officials to help in providing or organizing certain public services. An interviewee explains that,

¹⁵ In Portuguese: “nós temos organizações [sem fins lucrativos] que trabalham [autonomamente] com educação a longo prazo. Porque se você é dependente de contratos com o governo e há uma eleição nova, frequentemente você tem que terminar seu projeto em um máximo de quatro anos [isto é, o tempo entre eleições], e em quatro anos você não muda qualquer coisa nos termos de educação.”
“in almost 1,000 municipalities, the only existing hospital is philanthropic. So, the dependence [in relation to the government], in this case, is reversed.”

These cases in which nonprofits seem to be more powerful than local governments deserve a follow-up study but, apparently, when the government searches for nonprofits’ resources and legitimacy, there is little room for nonprofits’ totally autonomous action in relation to the government.

Besides autonomy, a good management is necessary to achieve the intended outcomes. Interviewees mention the importance of good management indirectly, by referring to responsible choices (“not taking a step bigger than your legs”) or by mentioning commitment (voluntary work and passion for the causes). Examples of well-managed nonprofits appear in interviews related to different kinds of nonprofits, although an interviewee from an association of corporate foundations claims that these nonprofits are more results-oriented.

Relational and contextual factors also play an important role in explaining a successful nonprofit autonomous action. The context appears in several interviews explaining the evolution of religious nonprofits. Representatives of charitable organizations claim that the first nonprofits in Brazil were Catholic groups that established the first hospitals, schools and facilities for social work. That happened partially because the government and for-profit organizations had almost no presence in these fields until the early 20th century. That is, in the absence of infrastructure and service providers, faith-based nonprofits covered this gap funded by international religious groups.

Changes in the political and social context seem to influence more directly the priorities of foreign foundations. Interviewees mention that advocacy groups and professional associations grew intensely in the 1980s and 1990s, during the re-democratization process in Brazil, largely

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16 In Portuguese: “em quase 1.000 municípios, o único hospital existence é filantrópico. Então, a dependência [em relação ao governo], nesse caso, é reversa.” My translation.

17 In Portuguese: “não dar um passo maior do que as pernas.” My translation
funded by international cooperation. Since the early 2000s, due to a perception that “things were improving in Brazil” this foreign aid funding decreased. However, as a nonprofit leader mentions, with the political instability and threats to democracy in Brazil since 2015, international foundations are prone to enhance funding to this country again. This process suggests that a political environment may condition responses of a funder, and that nonprofits with previous relations to that funder may perceive these responses more rapidly.

In terms of specific outcomes, interviewees highlight that innovative projects, community building, and political education were typical of nonprofit autonomous action when funded by international foundations. These arrangements with international foundations typically involved funding for organizational maintenance and sustainability, without needing to develop a specific project, which contributes to good management. Based on their personal experiences and knowledge of the third sector in general, all interviewees experienced in receiving these international funds mention that it leads to collaborations between civil society organizations.

In summary, a hostile political environment or the absence of government and for-profit action contributes to the increase of funding from international foundations to Brazilian nonprofits. This funding usually comes with fewer requirements, enabling more stable access to resources and more autonomous action. This model also promotes more interactions within civil society. The typical outcomes of successful nonprofit autonomous action are innovative projects, community organizing, and long-term structural changes. Interviewees do not emphasize the role of leaders in explaining nonprofits’ success working autonomously, but it is unclear if this is not a contributing factor at all or if other factors are simply more prominent in explaining nonprofits’ success. There

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18 In Portuguese: “as coisas estavam melhorando no Brasil.”
are, however, certainly challenges in this process, which are discussed in the next subsection about failures in nonprofit autonomous action.

4.3.2. Nonprofits’ failure in autonomous action

Limited access to resources may have a negative influence on the outcomes of nonprofits working autonomously. Nonprofits need adequate funds, human resources, and infrastructure for their action. In other words, without stable access to resources, nonprofits lack the capacity to achieve their goals. This is particularly critical for service providers, which must reduce or interrupt their action in case of severe resource deprivation. This issue appears in different occasions during the interviews. First, there is the specific interplay between sources of funding and certain nonprofit fields of activity, which may constrain these nonprofits’ impact due to the lack of resources. An interviewee that works specially with social assistance claims, for instance, that “most of the [nonprofit] organizations that work with social services depend on and survive with contracts with the government. Why? First because big donors, big companies […] few think about social assistance. Who wants to work with homeless, disabled poor people, and elderly poor?” That is, some areas may suffer specifically from resource deprivation if they are not able to attract different sources of funding. It may be challenging to present certain fields of nonprofit action as attractive for funders.

In some cases, however, there may be a contextual factor contributing to resource deprivation. In Brazil, there is a legal prohibition to charge fees for users of certain social services. That is, nonprofits aiming to work in certain areas must choose between moving to other fields of

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activity or dealing with the legal restriction, which may turn these nonprofits dependent on a funder. Therefore, if social assistance nonprofits do not attract interest from private funders, they face severe limits to work autonomously from the government. This suggests that, in certain regulated areas, the government power is placed not in the dual relationship with a specific nonprofit organization, but it is in the whole field.

Restrictions to the outcomes of nonprofit action may happen also when a private organization is the main funder. Interviewees from grassroots nonprofits claim that corporate foundations promote standard practices and are less open to partnerships with other nonprofits, allowing less room for innovative projects and for community organization. The leader of a religious nonprofit claims that corporate foundations “de-politicize civil society and put the entrepreneurial view of the world for social actions.” That is, a powerful funder may be detrimental to certain outcomes, such as community building, even if this funder is not the government.

Besides resource deprivation, management may cause failure in nonprofits’ action when working autonomously. In fact, management appears more often in the interviews to explain failure than to explain success of nonprofits who are engaging in autonomous action. Representatives of associations of nonprofits claim that organizations without qualified members and experienced leadership may have trouble to do fund-raising and implement their actions. Interviewees mention that problems with management such as lack of proper planning occur in all kinds of organizations, but a nonprofit leader from an association of corporate foundations identifies less concern with management and organizational sustainability in grassroots nonprofits than in organizations originated from business.

20 In Portuguese: “despolitiza a sociedade civil e coloca a visão empresarial de mundo para as ações sociais.” My translation.
The previously mentioned example of social assistance nonprofits shows that legal requirements constrain nonprofit action in relevant ways. The context also matters in terms of regional differences that influence nonprofits’ access to resources and their network of relationships. A leader from a state level nonprofit association claims that context matters not by changing the issues faced by nonprofit organizations, but by providing fewer resources for their action. Per this interviewee, the scale and form of action are different, but the problems are the same in very small rural municipalities and in big cities. A similar opinion appears in other interviews, and no interviewee claims the opposite. In this sense, regional specificities matter by influencing nonprofit relationships in ways that can limit their outcomes. For example, representatives of big nonprofit service providers claim that their fees in high-income areas of Brazil enable them to sustain hospitals and schools in lower income municipalities. Nonprofits that work only in lower income areas often cannot achieve their goals because they are limited to working with actors from that area. The limited access to partners that may improve nonprofit action is a relational barrier to a successful autonomous action. In other words, the impossibility of establishing relationships may be a limit to successful autonomous actions.

The external context also helps to explain why failures in autonomous action lead to the increase in government-nonprofit collaboration. Interviewees highlight that nonprofit autonomous action funded by international foundations prevailed in Brazil until the early 2000s, in the last year of Fernando Henrique Cardoso’s administration. After that, international funding decreased based on the perception of social and political advancements in Brazil. This led nonprofits to look for government funding and to participate in collaborative arrangements.

Despite the challenges in having nonprofits talking about their failure when working autonomously – by far more difficult than having nonprofit leaders talk about success or failure in
partnerships – the interviews reveal relevant factors for analyzing these undesirable results. Interviews suggest that a context of legal limitations to nonprofit action and uninterested funders seem to contribute to resource deprivation. A powerful funder that influences nonprofit action apparently limits civil society arrangements even when this funder is not the government, but is a private corporation. These factors finally lead to lower performance in autonomous action, which most interviewees define as a low level of service provision and by not being able to influence public policies.

4.3.3. Successful government-nonprofit collaboration

When nonprofits decide to collaborate with the government, their organizational characteristics also influence the chances of achieving positive outcomes. Like nonprofits that work more autonomously, these organizational factors include access to resources and good management. Access to resources, for instance, allows nonprofits to participate in forms of collaboration that do not involve funding. Interviewees mentioned that participants in policy councils are usually the bigger, more structured nonprofits, and those focused on advocacy actions. The president of a national policy council in the field of social assistance claims: “in relation to the size, I think we indeed have a problem in terms of representation and legitimacy. Only the big organizations usually win the seats in the councils.”21 This happens because participating in these forums requires knowledge of political processes, and availability of time and other resources to participate in these meetings. Therefore, nonprofits with more structure and stable resources have more access to these venues, described in interviews as critical for policy innovation and for pressuring, legitimating, and influencing public policy. On the other hand, interviewees mention

service provision as a form of collaboration initially more attractive for a broader range of nonprofits, given that it usually offers an immediate payoff – a payment for services provided – and it is a way to scale up actions.

Access to resources relates to power distribution between nonprofits and the government. Consistent with collaborative governance theory, efforts to equalize power between nonprofits and the government are crucial for achieving the intended outcomes (Ansell and Gash 2008; Bryson, Crosby, and Stone 2015). At the beginning of a collaboration, a reasonably equal power distribution allows nonprofits to decide on the potential advantages of that arrangement. Nonprofits with multiple projects have benchmarks in each of their areas of activity. This gives nonprofits more autonomy and flexibility when collaborating with the government. An interviewee claims that, because many charitable organizations in Brazil are organizations with experience in managing hospitals and schools, different levels of government often ask them to manage service provision in areas such as health, education, and social welfare. Given their structure and access to resources, these nonprofits evaluate each case and they do not always agree to collaborate with the government. For example, an interviewee from an association of charities mentions an organization that was managing three kindergartens in a contract with the local government of São Paulo. After evaluating the conditions offered by the government as precarious, the nonprofit decided to end two of these contracts, maintaining only the one that presented better conditions. It is reasonable to expect that, if the nonprofit depended on those contracts for its organizational survival, such decision would be unlikely.

The interviews indicate an important factor to explain success of collaboration: government funding may be involved, but it cannot be the main driver of collaboration. Government funding leads to several potential problems explained in the next subsection (4.3.4). However, nonprofits’
goals may require collaboration with the government. This happens when the government is a necessary actor to accomplish nonprofits’ goals. This suggests that nonprofits need to have a certain level of power to make getting funding from governments feasible without making too much compromise. For example, a nonprofit’s goal may be to have a certain indigenous area protected and preserved. This happens partially through a government decree declaring that area as traditionally indigenous. Therefore, this nonprofit’s goal requires government participation. Some interviewees argue that institutes and corporate foundations typically believe that part of their mission is to influence public policies and to scale up their projects. Therefore, when collaboration is necessary for the nonprofits’ mission but it is not a matter of financial survival, it is more likely to achieve the intended outcomes.

Relational factors may help government-nonprofit collaborations to achieve their goals. For successful collaborations, also noted in the collaborative governance literature (Ansell and Gash 2008), a pre-history of collaboration contributes to achieving nonprofits’ intended goals. Interviewees emphasize that previous relations generate trust and legitimacy for partnerships. Additionally, given the Brazilian context of political instability and frequent changes in the leaders of government agencies, the history of relationships between nonprofits and civil servants helps to guarantee the continuity of successful collaborations. Nonprofits related to private companies also consider that a pre-history of collaboration with the government is beneficial, as it enhances experiences and teaches about procedures in collaborative arrangements. Interviews indicate the nonprofits closer to expressive fields of activity (Salamon et al. 2013) are more likely to collaborate with the public sector if they identify the government partner as placing a high priority on social causes. Nonprofits base this evaluation on previous actions from individuals occupying leadership roles in the government. A nonprofit leader mentions the example of individuals that used to work
in social movements and, when hired by the government, carried their legitimacy with them, enabling more partnerships. That is, if possible, nonprofits make their decisions on whether to collaborate based on previous experiences, and not on official government discourses.

In terms of collaborative process, an interviewee mentions that charitable organizations prefer to open a new facility when the government hires them to provide educational services, for instance, than to use an already established school, which may lose its efficiency. That is, an effort to separate autonomous actions from collaborative arrangements seems to enable a better control of both initiatives. Interviewees experienced in collaborations with the government emphasize the need for good communication, trust, and commitment in the collaborative process, as proposed by the theory of collaborative governance (Emerson, Nabatchi, and Balogh 2012; Bryson, Crosby, and Stone 2015), but they also stress the importance of segregating collaborations from nonprofits’ other activities. The leader of the biggest association of nonprofits in Brazil advises that, if this separation is not carefully implemented “you have these situations in which you reduce what you already do [autonomously] and you grow the structure that works in a specific project [in collaboration with the government], because there you have money to hire more people.”22 In other words, it seems that the collaborative process requires that nonprofits prove that they are always able to continue with their activities in spite of the government. This could be a form of structural ambidexterity, as proposed by Bryson, Crosby, and Stone (2015). This practice builds legitimacy for nonprofits, given that they can claim a certain independence from the government, at the same time in which it contributes to better collaborations, because decisions regarding collaborative arrangements are not pressed by threats to nonprofits’ organizational survival.

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22 In Portuguese: “você tem essas situações em que você reduz o que você já faz [autonomamente] e você vai aumentando a estrutura que trabalha em um projeto específico [em colaboração com o governo], porque ali você tem dinheiro para contratar mais gente.” My translation.
In terms of the outcomes achieved by successful government-nonprofit collaborations, several interviewees claim that policy innovations were the higher contribution of nonprofits to Brazilian society. Additionally, intermediate outcomes from collaborating with the government may be valuable for nonprofit organizations even after the end of the collaborative arrangement. An interviewee highlights that, by participating in a public policy for family agriculture, nonprofits could identify areas for further public policy improvement, and create new contacts. Therefore, there is valuable learning in the process of collaboration.

In summary, nonprofits with access to resources, and not driven by funding constraints, are able to engage in collaborative forums with the government preserving their autonomy. A pre-history of positive relations and separation of collaborative and autonomous actions also contributes to successful outcomes of collaborations. These positive outcomes in collaborations translate as scaling-up projects, policy innovations, and intermediary outcomes that may benefit society.

4.3.4. Failure in government-nonprofit collaboration

Nonprofits’ organizational characteristics may lead to worse outcomes when they collaborate with the government. Several interviewees emphasize that small and less powerful nonprofits, when they decide to collaborate with the government, suffer by having to adjust to government timing, procedures, and requirements. Access to resources is critical to explain the failure of nonprofits to achieve their desired outcomes in collaborative arrangements. Nonprofits that need government resources to survive, adjust their actions to guarantee funding, often developing activities different from their priorities. As proposed by resource dependence theory, dependence on the government leads to a loss of autonomy (Pfeffer and Salancik 1978). Another
interviewee, a female leader at an association of charities, says: “by contracting with the public sector you lose [...] your autonomy on how to implement the project, because then it is not a project that you simply believe that it is good and implement it. If you contract with the public sector [...] you have to submit to certain characteristics of a partner that does not necessarily understand so much about that activity.”

Nonprofit leaders perceive worse outcomes when the government makes the relevant decisions and influences nonprofits’ autonomy in a collaboration. This influence changes not only nonprofits’ goals, but also their rationale. An interviewee from the biggest association of nonprofits in Brazil states, bluntly, that funding may “destabilize [nonprofits’] institutional goals”. That is, dependence on a source of funding may influence and change nonprofits’ goals. This effect, however, happens not only with government money, but with private funders too. When nonprofits pursue a financial opportunity that is not aligned with their goals and priorities, this may lead to outcomes different from the ones they intend.

The management characteristics of collaborations may also lead to failure. If nonprofits lack leadership skills for negotiations and organization, for example, the government may explore the different opinions in civil society and take the lead in managing the collaborative forums, maneuvering nonprofits and other groups to support government’s proposition. This also compromises what some nonprofits consider as desirable outcomes. As an example of this mechanism, an interviewee mentions that Brazilian government officials gave voice and empowered only nonprofits aligned with government’s proposals in controversial policies, such as

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23 In Portuguese: “ao contratualizar com o poder público você perde [...] sua autonomia de como executar o projeto, porque aí não é o projeto que você simplesmente acredita que é bom e implementa. Se você está contratando com o poder público [...] você tem que se submeter às características de um sócio que não necessariamente entende tanto do negócio.” My translation.

24 In Portuguese: “desestabilizador de objetivos institucionais [de ONGs].” My translation.
public meetings to discuss the Belo Monte dam. Nonprofits without a trained and experienced leadership could not express their opinions if they were contrary to the government’s interest in these forums.

Relational factors matter to explain failure in government-nonprofit collaborations. In the absence of a pre-history of trust and collaboration with the government, nonprofits expect to achieve worse outcomes. Interviewees argue that, if they do not agree politically with the government, nonprofits abandon the expectation that collaborations may create structural changes in society. Collaboration with the government also influences nonprofits’ other relationships. An interviewee mentions “collaboration with the government limits with whom you will work.” Another interviewee highlights that, after several years of intense collaborations with the government, nonprofit organizations lost a big part of their networks within civil society.

Nonprofits that collaborate with the government aiming to support a political project may lose legitimacy due to an increasing inability to identify civil society’s priorities. The outcomes of this process, according to the same interviewee, are more likely to be closer to the ones intended by the government. Social movements and nonprofits closer to the grassroots initiated debates and public action questioning the increasing influence of nonprofits and foundations related to private companies in governments. This indicates, as mentioned by one interviewee, that unequal degrees of collaboration with the government cause fractions and conflicts among nonprofits. In other words, collaboration with the government may put nonprofit leaders in conflict with each other. This perspective is different from the argument established in the literature, that government-nonprofit collaborations may create a distance between the nonprofit and its community. (Mosley

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2012). The effect here is a conflict among nonprofit leaders, potentially compromising future collaborations among nonprofit organizations.

The collaborative process may also damage the outcomes of government-nonprofit collaborations. The inclusion of strict requirements and conditions for collaboration, for instance, compromise nonprofits’ flexibility. Interviewees mention examples of collaborations in which nonprofits changed their methodologies due to government pressure to reduce costs or to reach a certain target. Nonprofit organizations also must adjust to government timing, which usually is slower and often guided towards the electoral calendar. Therefore, initiatives that were successful when nonprofits worked autonomously suffered problems when they were later included in government-nonprofit collaborations. Problems occur in adjusting to government bureaucratic procedures that limited nonprofits’ intended impact. An example is the provision of technical assistance and rural extension – an area of several innovations originated in nonprofit organizations – which, when included in government-nonprofit collaborations, had to follow standard procedures, limiting gains from nonprofits’ specific methodologies. As mentioned by a nonprofit leader, government logic reduces civil society potential for innovation, given that it requires a formalization of actions and expected results. Therefore, collaborating with the government turns innovative actions into policies that no longer can respond to the current social needs and priorities.

A potential failure of collaborations happens also when these arrangements help to modify the external context in ways different then intended by nonprofits. An interviewee argues: “[by collaborating with the government] you diminish the capacity of people’s pressure, pressure from the streets.”26 Another nonprofit leader shows a concern in being “used as a buffer, [that is] to

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26 In Portuguese: “[colaborando] você diminui a capacidade de pressão popular, pressão de rua.” My translation.
reduce social pressure over the government. In addition, an interviewee highlights that government funding creates a “market of projects” motivating the creation of rent-seeking nonprofits that jeopardize the legitimacy of the third sector.

In summary, when government-nonprofit collaborations happen with limited or uncertain access to resources and lack of leadership skills in nonprofit organizations, there is a threat to nonprofits’ autonomy. This process can change nonprofits’ actions and rationale. The resulting collaborative process is unbalanced, with nonprofits adjusting their timing, methods, and goals to government’s priorities. In addition, this generates additional conflicts among nonprofits. Outcomes intended by the government prevail, generating less policy innovation, and feeding back to further disarticulation of civil society.

4.4. Discussion and conclusion

This essay identifies how nonprofit organizations typically achieve their intended societal impact, and how they typically fail, when working autonomously and when collaborating with the government. There are probably other ways to succeed and fail in nonprofit action, but the paths presented here appear repeatedly during interviews with nonprofit leaders in Brazil, suggesting a certain level of prevalence, at least among the most relevant nonprofits in that country. Figure 5 indicates which factors relate to success and failure in different arrangements. Collaboration and autonomous action appear mixed in this figure, because decisions to collaborate are preceded by other factors, and because interviews indicate that nonprofit organizations commonly collaborate with the government and work autonomous action at the same time.

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Figure 5 - Typical paths of successful and unsuccessful outcomes of nonprofit action

Management and leadership

Main funder

Amount of resources

Power

Collaborative process

Context

Outcomes

The Gov’t is the NPO’s main funder

Individual donors or users are the NPO’s main funder

International foundations are the NPO’s main funder

NPOs maintained by for-profit companies or wealthy families

Funding is not enough for intended actions

Funding is enough for intended actions

There is no big power differential or there are previous positive collaborations between the NPO and the Gov’t

There is a big power differential or previous antagonist relationship between the NPO and the Gov’t

No dialogue or engagement in the collaborative process

Dialogue and engagement in the collaborative process

Prevailing stability

Scaled-up projects; NPO influence in policy

Innovative projects; civil society mobilized

Gov’t goals prevail; less policy innovation

Low service provision; no influence on policies

Legend:

Typical paths leading to failure in autonomous action:
Typical paths leading to success during autonomous action:
Typical paths leading to failure in NPO-Gov’t collaboration:
Typical paths leading to success in NPO-Gov’t collaboration:
Feedback processes:
Figure 5 shows that a first necessary but not sufficient condition for nonprofits to achieve improved outcomes is to have good management and capable leaders. A nonprofit may have modest goals, such as clubs that only provide few services to their members. In that case, a low service provision and no influence on policies is not necessarily a sign of failure. For simplicity, however, figure 5 assumes that nonprofits intend to enhance their impact on society. In this case, preconditions for achieving success include a clear and formal mission statement, strategic plans, governance systems, and a facilitative leadership capable of negotiating with internal and external actors (Sowa, Selden, and Sandfort 2004; Ansell and Gash 2008). In addition, interviewees emphasize that nonprofits must first have a good management in order to participate in successful collaborations. That is, collaborations do not develop good management.

Resources are critical to explain success or failure in nonprofit action. Three relevant factors relate to resources: who the main funder is; if the funding is enough; and how power distribution happens among actors in collaborations. Previous research (Frumkin 2002; Pfeffer and Salancik 1978) and interviews in this project indicate that the more diverse the sources of funding, the lower is the nonprofit dependence on a specific funder. Both relationships with the government and with large private companies usually concentrate the source of funding, compromising this autonomy. Therefore, when the government is the main funder, collaborations typically depart from unequal relationships which compromise nonprofits’ autonomy. Considering only autonomy in relation to the government, corporate nonprofits, funded by private companies, and nonprofits funded by international foundations appear constantly as examples of successful autonomous action. There are fewer references in Brazil to individual donors or users as the main funders, but when this happens, as is the case with religious charities that provide educational services, there are also examples of success in autonomous action.
Funding must be enough for nonprofits to develop their actions, in order to achieve their intended outcomes. If resources are enough, the well-managed nonprofits, with capable leaders, and funded by the corporations, international foundations, or individuals, may develop autonomous actions that will typically result in innovative projects, and that improve organization and mobilization in civil society. If funding is not enough and nonprofits decide to conduct autonomous actions, they will typically provide a low level of services and achieve limited influence on policies. However, nonprofits with enough funding may decide to collaborate with the government in order to enhance their results or their influence on policies. In this case, results depend on power distributions in these collaborations.

The existence of a big power differential usually appears in the interviews as the government being able to press nonprofits – overtly or covertly – for implementing certain policies according to the government’s priorities. The three notions of power (Lukes 2005) – influencing nonprofits actions, agenda, and rationale – may be in place here. Nonprofits engaging in collaborations with the government may reach certain results that are perceived as desirable and intended, but that are different from the outcomes originally planned by that nonprofit. In other words, government’s influence may change nonprofits’ perceptions of what they aim for society. The existence of previous antagonist relationships between nonprofits and the government also makes the government less prone to equalize the power differential in collaborations with nonprofits, resulting in less opening for policy innovation. On the other hand, if there are previous positive experiences of collaborations between a certain nonprofit and the government, that government agency may be more open to equalize the power differential (Ansell and Gash 2008), exerting less influence on nonprofits’ actions, agenda, and rationale (Lukes 2005).
A successful government-nonprofit collaboration depends not only on the starting conditions, but also on a dialogued and engaged collaborative process (Ansell and Gash 2008; Bryson, Crosby, and Stone 2015). Government and nonprofits must debate alternatives, decide together, and should demonstrate organizational commitment to the necessary actions during the collaborative process. When one part in the collaboration is not willing to debate and to engage in the process, the outcomes are likely to be lower than intended.

The context is a last factor that influences the outcomes of government-nonprofit collaboration more directly than the outcomes of autonomous action. Political and legal conditions provide stability or instability that are relevant for collaborations. When there is prevailing stability, considering all previously mentioned factors, government-nonprofit collaborations achieve their intended scaled-up projects, and nonprofits are able to influence public policies. A scenario of instability, with political changes and uncertainty typically results in less policy innovation and in government goals prevailing over nonprofits’ goals. Political instability also gives feedback of the willingness of different actors to donate. Particularly, instability enhances donations from international foundations. Nonprofits with previous relations to international foundations may benefit from maintaining long-term relations with these funders, because this relationship may guarantee resources in the occurrence of political changes that compromise nonprofits’ sustainability.

In summary, this essay presents several contributions for practitioners and theoretical debates on governance and nonprofit organizations. First, a nonprofit choosing whether to collaborate with the government or work autonomously can use the framework previously presented to support its decision-making process, given a certain intended outcome. Second, this study indicates, through the importance of certain nonprofit groups, such as religious charities and
corporate foundations, that the official classification of nonprofits adopted in Brazil (IBGE 2010) may not be very useful. Nonprofits typically work in several fields of activity (Almog-Bar and Schmid 2013) and a more relevant factor seems to be their sources of funding. If the differential factor is funding, the Brazilian government should release financial data from these nonprofits, to improve knowledge in this area. Nonprofits could also self-regulate and release their own data, to enable studies that may contribute to their sustainability and a higher societal impact. Third, governance studies often discuss cross-sector collaboration isolated from the alternative of autonomous action. This study indicates that nonprofits often simultaneously develop projects in collaboration with the government and autonomously. Processes and performance in one of these arrangements often influences the other. For instance, a nonprofit that maintains autonomous actions that develop innovative projects may try to convince the government to scale-up one of these projects in a collaboration. A nonprofit can also potentially identify forms of collaboration that are detrimental to its autonomous projects, eventually terminating that collaboration. Therefore, the study of collaborative governance must integrate its analysis with the performance of organizations working autonomously or in networks with organizations within the same sector. Forth, collaborations are not always positive for society. This essay indicates that influences of collaboration on nonprofits’ actions, agendas, and rationale may deviate these organizations from conducting community education processes and developing innovative projects. The outcomes of government-nonprofit collaborations may be different from intended by nonprofits, with a low level of service and governments’ goals prevailing at the end.

This study brings insights for future studies. On societal impact, although the goal here was not to conduct a formal evaluation, it seems that the path for a successful nonprofit autonomous action contributes more to policy innovation, while a successful collaboration with the government
may influence public policy, scaling-up current projects. Therefore, an ‘ideal’ path would be for nonprofits to initiate action autonomously, developing their policy innovations and, once achieved, partner with the government to scale-up their impact. More structural changes on society depend also on a collaborative arrangement with high levels of trust, which depends on previous relationships and common starting goals. Other potential areas for future studies include a revised and more focused version of essays 1 and 2, testing if nonprofits’ access to resources and good management actually enhance their capacity to influence long-term outcomes. In addition, research could verify if funding from different sources relate to different outcomes, such as the proposed relationship between funding from international cooperation and policy innovation. If confirmed, these results could support nonprofits’ decisions and policies towards improving nonprofits’ impact on society.

There are several limitations to this essay. First, the impact perceived by nonprofit leaders may be different from nonprofits’ actual impact on society. Even if these are the typical paths for nonprofits’ success and failure, it remains unidentified what the relevant variations are in these conditions. Second, on a related topic, it is unclear what is specific to the Brazilian context and what is generalizable in this study, although there is a high level of convergence with existing theory in several aspects. Third, this study did not benefit from interviews with beneficiaries, program evaluations, and econometric models that could reveal different features of nonprofits’ impact on Brazilian society. Despite these limitations, this essay focuses on promising aspects of nonprofits’ impact on society, which contribute for a more critical analysis of their relationship with funders and engagement in collaborative processes.
5. Conclusion

This dissertation aims to help understand nonprofit action and their impact in Brazil, especially analyzing what is different when nonprofits work in collaboration with the government versus when nonprofits work more autonomously (i.e., alone or in networks with other civil society actors). The practical goal here is to contribute to enhancing nonprofits’ impact on society. That is, if nonprofits that intend to improve society face challenges to achieve this goal, this dissertation aims to help these nonprofits, by analyzing: (essay 1) what attracts nonprofits to certain areas; (essay 2) what is the effect of government-nonprofit collaborations and of high nonprofit density in human development and income inequality; and (essay 3) how does nonprofit action affect societal outcomes when nonprofits work autonomously or in collaboration with the government? Interpreting the combined results of these essays enables a broader discussion on the implications of these studies, and may help further research on nonprofits and governance arrangements elsewhere.

The designs adopted in the first and second essays contribute to a better understanding on nonprofits’ rationale and on the outcomes of these organizations working autonomously and collaborating with the government through quantitative, empirical analyses of these topics. Essay 1 tests the influences of local level resources, needs, and of previous rates of nonprofits to justify additional nonprofits created in Brazilian municipalities, per different nonprofit fields of activities. The second essay verifies the impact of existing nonprofits and of their collaboration with the government on broad societal outcomes, also measured at local level and per nonprofit field of activity. These two first essays also explore spatial variations in these results. The third essay then shifts to a qualitative approach, discussing arguments from the collaborative governance literature with Brazilian nonprofit leaders, to understand the factors that help or hinder nonprofit’s impact.
on society, identifying potentially missing or omitted variables in the previous studies, and exploring mechanisms that underlie key findings from the quantitative analysis. The qualitative analysis enables new interpretations of previous results, tying together the whole dissertation.

5.1. Reinterpreting previous results

Specifically, essay 3 enables a new interpretation to the main result from essay 1: areas with a high density of nonprofits may actually facilitate the funding necessary for enhancing nonprofits’ impact on society. Interviews from essay 3 reveal that the most relevant nonprofit funders are not necessarily located in the same municipality of the funded nonprofits. International foundations send money from abroad; state and federal government may decentralize funding for different municipalities, and even corporations or individuals may donate for nonprofit project in other municipalities. This suggests that the local availability of resources, tested in essay 1, may not be the best way to capture the potential to attract resources. Essay 3 also shows that nonprofits negotiate and collaborate within civil society, pooling resources for nonprofit action. Nonprofits may share information about potential funders and there is a market for human resources in nonprofit organizations in these high-density areas. Therefore, results of the third essay, pointing out articulations within the third sector and the need for resources as an influence on nonprofits’ outcomes, help to explain the finding that additional nonprofits are more likely to appear in areas of high nonprofit density. A possible implication of this new interpretation is that policies for attracting nonprofits to a certain area – such as tax benefits or other actions to promote organization within civil society – may benefit communities by attracting resources from other regions or countries. Essay 2, however, shows that the impact of nonprofits varies per their field of activity.
Essay 3 also helps to improve the understanding of essay 2. There are new ways to interpret findings from essay 2, specially regarding the absence of nonprofits’ impact on human development and income inequality, and the negative impact of government-nonprofit collaborations on human development. First, on the density of nonprofits itself, essay 3 shows that many nonprofits do not obtain all necessary conditions – particularly funding and good management – to achieve a positive impact on society. Additionally, essay 3 shows that the outcomes of a successful autonomous action are typically the development of innovative projects and a civil society more organized. These outcomes may be very limited and may not improve human development and reduce inequality in the short term. Essay 3 shows that a scaled-up project and influence on public policies, which could more easily affect human development and inequality, are typically the outcomes of successful government-nonprofit collaborations. However, this same essay shows that collaborative arrangements often fail to follow all necessary conditions to be successful. The negative association between government-nonprofit collaborations and improvements in human development, for instance, may be due to nonprofits submitting to government’s priorities and methodology, compromising their service capacity. Therefore, essay 3 also improves the understanding of essay 2, and it could guide nonprofits and government’s behavior, depending on their intended outcomes.

The three essays emphasize variations in nonprofits’ fields of activity and forms of government-nonprofit collaboration. Despite the negative association between religious nonprofits and human development when analyzing the country in municipal level (from essay 2), some of the main providers of health, education, and social welfare in Brazil are big religious congregations (essay 3). Similarly, despite the small number of nonprofits officially registered in the field of education (essay 1), many large and influential organizations funded by private companies work
on this topic (essay 3). Therefore, the size and the funding sources of nonprofit organizations may be relevant factors to be considered. The effect of nonprofits’ autonomous action in each field of activity, as well as the effect of collaboration with the government, on human development and inequality, all vary among themselves and spatially. Similarly, collaboration based on contracting and financial transfers may have a different effect than collaboration in community councils or other participatory forums. These factors indicate the enormous caution required in any generalization about nonprofit organizations and collaborative arrangements, even within a single country like Brazil. The specific conditions of this research do not allow generalizations for other countries and regional contexts. Cross-national studies probably introduce even further diversity and require exhaustive analysis of the context for any comparison.

Despite the complexity around these issues, essays 1 and 2 identify significant associations between certain local characteristics and the creation of certain nonprofits, and between these nonprofits and their impact on society. Essay 3 goes further by identifying influencing factors leading to typical paths of nonprofits’ success or failure.

5.2. Contributions for theory and practitioners

Results of the first two essays suggest that both nonprofit and governance studies may be over-optimistic when presenting the potential contributions of nonprofit organizations and of government-nonprofit arrangements. Against the claim that nonprofits respond to social, political, and economic needs of communities (Enjolras 2015), essay 1 shows that the most powerful influence on nonprofit location is the previous nonprofit density in a municipality. Against the claim that government-nonprofit collaborations improve societal outcomes (Milward and Provan 2000; Salamon and Toepler 2015), essay 2 indicates that these arrangements may have no
beneficial impact and may even worsen the societal outcomes in a community. Again, this does not mean that nonprofits or government-nonprofit collaborations always lead to negative outcomes. Essay 3 clarifies that part of the nonprofit sector is successful in contributing to society and another part is committed to social improvement, but these organizations face challenges that compromise their results. Summarizing the contributions from essay 3, if a nonprofit has good management, capable leaders, and has a diverse source of funding, which is enough for their intended actions, this nonprofit has better prospects to develop innovative projects and to further civil society organization and mobilization. Respecting the same preliminary conditions, nonprofits are more likely to succeed in collaborations with the government – scaling-up their projects, influencing policies – if both parts already have positive experiences working together and if partners engage in an equal and well communicated collaborative process.

Another practical and theoretical contribution of this dissertation is that organizations and researches must differentiate types of nonprofits’ outcomes. The distinction between project innovation, scaling-up projects, and influencing policies in the long-term, for instance, should guide nonprofits’ action and studies on collaborative governance. A nonprofit working with environmental issues, for example, may identify the need to create innovative projects. Essay 3 suggests that, in this case, it is preferable to avoid the ties and requirements of contracts with the government, and to work more autonomously. This also supports results from essay 1, of establishing this nonprofit in areas with high rate of previously existing nonprofits. These nonprofits can create networks and enable a better access to resources in this example. On the other hand, if a nonprofit is mostly concerned with scaling-up an already existing project, contracts with the government may help in this endeavor. Similarly, if a nonprofit wants to influence long-term public policies, it may be important to use previously established connections with the government
to access collaborative forums. Preferably, however, these nonprofits should avoid having the
government as their main funder, to avoid resource dependence that may compromise their actions,
agenda, or rationale. Examples of these three types of outcomes may appear sequentially in a
certain policy, although they do not necessarily come together. The Brazilian HIV/AIDS policy,
for instance, is acknowledged for a sequence of project innovations in civil society, government-
nonprofit partnerships to scale-up these projects, and influences on long-term public policies
(Passarelli and Terto Jr 2003).

5.3. Broader implications

Despite the focus on nonprofits, this dissertation also has implications for the government
and civil society in general. Theories usually applied to analyze government’s decision to contract
out in the market or to produce services directly (Williamson 2000) may benefit from insights
presented here. The argument promoted in this dissertation implies that, if committed to the public
good and societal improvement, governments should compare the outcomes of collaborations not
only to their own governmental outcome, but also to the combined outcome resulting from
government and its potential partners working separately. Put more broadly, studies on
collaborative governance and public-private partnerships should discuss if there are additional
benefits from these arrangements for society (Brest and Born 2013).

A political analysis can also benefit from the results presented here. A Gramscian
interpretation, for instance, clarifies potential implications of these results. Antonio Gramsci
(1971) proposed several concepts to analyze relationships between the state and civil society,
although his critics emphasize the ambiguities of his conceptualization (Anderson 1977).
Gramsci’s debates about coercion and consent, for instance, help to understand the dynamics of
government-nonprofit relationships and their impact on society. The basic argument here is that a ruling class controls the government and, even if oppressed groups gain elections, there is a hegemonic system preserving interests of this ruling class. Hegemony involves structure -i.e., the means and relations of production – and an ideological superstructure, in which the government and civil society operate. Structure and superstructure are continuously influencing each other, and the superstructure may block attempts to produce structural change in society. This happens when the state and civil society adopt power to produce coercion and consent around the existing structural base. Coercion is the use of force, typically by the police, to enforce obedience and punish deviations. Coercion, however, is not enough to preserve the ruling class, which is typically a minority. Other social groups should also accept a system of economic, social, and political relations that sustains the ruling class. In other words, other social groups should show consent with this system. People should respect authority, for instance, and should believe that the economic and political institutions work for the benefit of the society overall.

Applied to the analyses of government-nonprofit collaborations, the discourse that collaborative arrangements are overwhelmingly positive, and the mechanisms through which nonprofits become dependent on government funding, reinforce the support to a given system of economic, social, and political relations. If public-private collaborations are good, conflict between these actors can and should be minimized. In other words, these mechanisms reinforce consent in civil society, sustaining the current hegemony. Therefore, there are political implications when nonprofits collaborate with the government, even if these nonprofits are successful in scaling-up a policy innovation, for instance. Autonomous action, on the other hand, can produce certain outcomes not easily obtained in collaborations, and enable a greater chance of creating structural changes in society – to change the social order, or at least not sustain a hegemonic one that
perpetuates inequality. If part of Brazilian nonprofits intends to break the consent that sustains ruling groups in society, these nonprofits should avoid collaborative governance arrangements, prioritizing autonomous action and articulation with other civil society actors. As essay 3 proposes, innovation typically results from a successful autonomous action. If innovation in terms of political organization follows the same path, nonprofits should work more autonomously from the government. Conversely, this implies that influence in policies work both ways: nonprofits may be successful in influencing policies, but in this process they suffer hegemonic influences, which may change their own priorities and rationale.

5.4. Limitations and suggestions for further research

Each of the three essays point out several limitations and suggestions for future studies. In summary, other factors not included in essay 1 may explain more about decisions regarding nonprofit location than the variables included in that study. An in-depth case study or comparative analyses could reveal additional factors about nonprofit location. Similarly, instead of a study in the whole country using two variables of societal impact, as in essay 2, other studies could investigate the additional change caused by specific nonprofits in a certain community. Finally, essay 3 explores factors and typical instances of success and failure of nonprofit action that can be tested as hypotheses in future quantitative studies. Specifically, future studies should clarify which results apply only to Brazil and which results are generalizable. Despite these limitations, this study shows that nonprofits’ contribution to society depends on complex variables. Collaboration can be beneficial, but it may not achieve its intended outcomes, or it can be detrimental for society. To achieve each expected outcome, nonprofits should pursue different governance arrangements.
References


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Harvey, David. 2007. A Brief History of Neoliberalism. Oxford University Press, USA.


Appendix A: VOLUNTAS’ authorization

Simsa, Ruth <Ruth.Simsa@wu.ac.at>
Mon 4/17/2017 1:25 PM

to Marcelo Marchesin da Costa <MarceloMC5@insper.edu.br>; t.brandsen@fm.ru.nl <t.brandsen@fm.ru.nl>

Dear Marcelo Marchesini da Costa, hereby we confirm the authorization to use a revised version of the article in Voluntas "What Influences the Location of Nonprofit Organizations? A Spatial Analysis in Brazil." as a chapter in your dissertation. best wishes, Ruth Simsa

Ruth Simsa
a.o.Univ.Prof.
Kompetenzzentrum für Nonprofit Organisationen und Sozial Entrepreneurship

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Von: Marcelo Marchesini da Costa [mailto:MarceloMC5@insper.edu.br]
Gesendet: Sonntag, 16. April 2017 01:43
An: Simsa, Ruth <Ruth.Simsa@wu.ac.at>; t.brandsen@fm.ru.nl
Betreff: authorization for using article in dissertation

Dear Dr. Simsa and Dr. Brandsen,


This message is to ask for your authorization to let me use a revised version of this article as a chapter in my dissertation. This is a requirement from my university (University at Albany, SUNY). A simple email is enough.

Thank you in advance!

All the best,

Marcelo Marchesini da Costa
Appendix B: Revista de Administração Pública’s authorization


Authorization

To whom it may concern, the author Marcelo Marchesini da Costa is authorized to publish a modified version of the article accepted to be published in RAP - Brazilian Journal of Public Administration: “Assessing government-nonprofit collaborations and density of nonprofit organizations in Brazil”, as a chapter of his doctorate thesis.

Regards,

[Signature]

Editorial Team - RAP
## Appendix C: List of interviews

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<thead>
<tr>
<th>Interviewee</th>
<th>Organization</th>
<th>Activity</th>
<th>Date</th>
<th>Length</th>
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<td>Lucas Ramalho</td>
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<td>Government-nonprofit relationships</td>
<td>08/11/2014</td>
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<td>Ademar Bertucci</td>
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<td>Nicole Hoedemaker</td>
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<td>Focus Areas:</td>
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<td>02/15/2017</td>
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</table>
Appendix D: Semi-structured questionnaire

1. Can you describe how your organization (or the nonprofits affiliated to your organization) typically works to achieve its goals? (followed by clarifying questions as needed)

2. Do you have examples of projects or actions that your organization (or the nonprofits affiliated to your organization) usually develops in collaboration with the government? (followed by clarifying questions as needed)

3. Are there cases in which your organization (or the nonprofits affiliated to your organization) prefers to work more autonomously from the government? Can you give examples? (followed by clarifying questions as needed)

4. What difference does it make to work in collaboration with the government or more autonomously? (explore organizational, relational, and external factors)

5. How do you evaluate the outcomes of your organization (or of nonprofits affiliated to your organization)? (followed by clarifying questions as needed)

6. If I understood correctly, you mentioned [a,b,c] factors as influencing the outcomes of nonprofits when working autonomously, and [d,e,f] factors as influencing the outcomes of autonomous action. Is that correct? Are there other factors that influence the outcomes of nonprofits and were not previously mentioned?

7. Is there something else that you would like to add to this debate or someone else that you think I should talk to?