

EXAMINING THE CHALLENGES THAT INTERNATIONAL NONPROFITS
FACE WHEN IMPLEMENTING INCOME GENERATING ACTIVITIES
IN AFRICAN NATIONS WITH THE INSTITUTIONAL THEORY OF
NONPROFITS

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ABSTRACT

This study seeks to evaluate the challenges that international nonprofits face when helping individuals implement income generating activities (IGAs) in African nations with the institutional theory of nonprofits. The research conducted showed that the institutional theory of nonprofits was upheld. The institutional theory states that when market or government institutions fail, a community needs a voluntary redistributive organization to supply vital resources at no cost to the consumer. Eight qualitative interviews with nonprofits based in Africa were conducted and each organization stated that they had been successful in filling the gap left by market or government failure and are helping individuals gain access to vital goods through the implementation of IGAs. Poverty is one of the world's most pervasive issues, but the development of IGAs with the aid of nonprofits are a sustainable, long-term solution.

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Introduction and Research Question

Poverty is one of the world's most pervasive issues. Almost half of the world's population, approximately three billion people, live on less than \$2.50 a day. Over 1.3 billion people living in extreme poverty - exist on less than \$1.25 a day ("11 Facts About Global Poverty," 2017). UNICEF has found that over 22,000 children die each day due to poverty. How does one even start to combat such a crippling issue on a worldwide scale?

One possible solution is the development of income generating activities (IGAs) with the aid of nonprofit organizations. IGAs are a key idea in sustainable food security in communities suffering from extreme poverty. Nonprofits that incorporate a form of revenue generation through commercial means are engaging in IGAs. An example of this form of nonprofit is an organization in Ethiopia helping women make their own jewelry, so the women can sell it and make a living for themselves. According to Action Against Hunger, "Income generation can help to overcome food insecurity when economic factors are a fundamental cause of food insecurity and when food is available in local markets but lack of money is the main difficulty faced by the vulnerable population" (ACF International, 2009, p.5). The specific activities vary for each individual and community.

Given the interview sample, this study focuses on social enterprise from a non-profit rather than a for-profit perspective. This thesis will evaluate the challenges that international nonprofits face when helping individuals implement IGAs in African nations. In addition, aim to propose solutions. Additionally, this thesis will examine the circumstances that led to the development of these

nonprofits in alignment with the institutional theory of nonprofits. The institutional theory of nonprofits suggests that the core issue with the delivery of desirable club goods, defined as excludable, but non-rivalrous goods (Robinson, 2017), is overexclusion. The term “overexclusion” is referring to goods and services that are inaccessible by individuals who need them. This key understanding can provide greater insight into what kinds of solutions - including voluntary redistributive institutions such as non-profits- can work to overcome the problem of overexclusion to raise the quality of life for all members of society. Additional details on the institutional theory of non-profits will be discussed in the literature review.

My trip to Ethiopia for two weeks in May of 2017 inspired me to write this thesis. I went to Ethiopia with the Adera Foundation, a nonprofit that focuses on aiding at-risk families and helping them start their own businesses. Adera provides individuals with a 20-week life skills training course that helps teach these families how to use their new incomes strategically and successfully. After speaking with Adera’s Program Director, Julie Miller, about the various challenges Adera faces from day-to-day, I wanted to see if there are trends in obstacles that nonprofits in Africa specializing in IGAs face and propose possible solutions.

In researching this topic, it was difficult to find resources that addressed the specific challenges in implementing IGAs in Africa. Most literature on the topic gave high-level overviews on vital aspects of the programs, but not tangible suggestions for the best practices of mitigating possible challenges. In the analysis

of these issues, we will better understand these unique issues and see if the tenants of the institutional theory of nonprofits is upheld as well.

The format of the thesis is as follows. First, a literature review introduces relevant issues that nonprofits have historically faced as well as an in-depth examination of the institutional theory of nonprofits. Then, the specifics of the research question will be addressed, while explaining how these nonprofits were able to mitigate the challenges they faced. The methods and results section will explain the methodology used for this analysis, and review major findings and propositions found in that analysis.

For the purposes of this thesis, numerous interviews with international nonprofits specializing in IGAs were conducted. Each nonprofit is based outside Africa but conduct non-profit work to aid individuals living in extreme poverty on the African continent. In each interview, a representative of each nonprofit addressed ten questions that relate to the challenges they have faced in implementing IGAs in their respective nations, tactics that have proven to be successful, and any relevant cultural or legal barriers they have experienced. The results of all interviews are compared and analyzed for trends, which include similar obstacles to entering the marketplace, cultural barriers, legal barriers, and others.

This analysis can demonstrate challenges that nonprofits experience across cultures in different African nations. The completed research will be shared with participating nonprofits who wish to see the results of the study and see how other

nonprofits specializing in IGAs have been able to overcome both similar and differing obstacles.

Literature Review

Literature Review Introduction

This thesis will analyze the challenges experienced by nonprofits who help impoverished individuals create income-generating activities in an African nation in alignment with the institutional theory of nonprofits. The literature review will provide evidence supporting the importance of IGAs on developing nations as well as give an in-depth explanation of the institutional theory of nonprofits.

History of Nonprofits

Organizations centered on volunteer work and supported by private donations started as early as the eighteenth century. Early nonprofits were typically founded by religious organizations for the creation of educational institutions. These early nonprofits were run with little government oversight or intervention. However, starting in the twentieth century, US federal and state governments began to regulate and sanction these organizations. Today, the work of nonprofits has expanded to include areas that affect national economies, businesses communities, the social economy, and other vital areas of society (“Nonprofit Organizations,” 2017).

Types of Nonprofits

Nonprofits can be classified into three main types: 1) Business Nonprofits which are programs that invest money into markets to earn money to provide

retirement benefits to members, 2) Economic Nonprofits which are research programs that are involved in orchestrating studies that marketing firms use to make profit and, as a result, expand the economy, and 3) Social Economic Nonprofits which are agencies that provide counseling and services to disadvantaged individuals or families and nonprofit workers assist them in meeting their daily needs. (“Nonprofit Organizations,” 2017). This thesis focuses on the challenges of social economic nonprofits. Most nonprofit organizations fall into one of three categories. The first type is private foundations, which are nonprofit, non-governmental organizations with a principal fund managed by a by a board of directors or trustees. The second form is public charities, which get their support from the general public, receive grants from individuals, private foundations, and the government (“What's the Difference...” 2018). Finally, the third type is quasi-nonprofit organizations, which are hybrid organizations that operate with a mixed structure of different types of profit and nonprofit structures.

Positive and Negative Features of Nonprofits

Both the positive and negative features of nonprofits are worth exploring in order to lay the foundation for understanding the specific challenges faced by international nonprofits that focus on creating income-generating activities. First, it is important to note that most of the income of a non-profit is exempt from income taxes and donor contributions are also tax exempt in most cases. As a result, nonprofit organizations are subject to strict reporting requirements in the United States. A nonprofit organization may receive grants or other forms of aid, in contrast to business entities which have to use loans as a means of raising funds. However, the

process of obtaining a grant can be a slow, tedious, and gradual process. Nonprofits are often praised for aiding vulnerable members of society in ways their government or for-profit businesses were not able or willing to do. Historically, non-profit endeavors have also received harsh criticism for allegedly harming the development of local businesses by giving “handouts” in the form of food or clothing items instead of purchasing those items at local vendors.

Explanation of IGAs

A key tool many nonprofits are using to stimulate growth and development in impoverished communities are IGAs. Nonprofits that incorporate a form of revenue generation through commercial means are engaging in IGAs. Unemployment in rural and urban communities can be curbed through identifying and equipping entrepreneurs, whose emerging businesses can lead to a successful means of job creation (“Africa Foundation,” 2017). IGAs can be an effective initiative in recuperating and strengthening food security and sustainable livelihood systems (“Rural Income,” 2007). It is necessary to evaluate the relevance of each program in its respective context and adapt accordingly (“Rural Income,” 2007). The nonprofits analyzed in this thesis identify opportunities, assist startups, provide skills training programs, or help individuals start their own initiatives. The long-term goal for IGAs is to build sustainable incomes for individuals and families, ultimately allowing them to live independent lives.

Positive and Negative Features and Outcomes of IGAs

The implementation of income generating activities has become increasingly popular in recent years as it has been proven to aid vulnerable populations in crafting their own mechanisms to meet their needs. Through leveraging IGAs, it is possible to stimulate the local economy after periods of crisis, improve the output of existing activities and make new sources of income. All of these results are important to establishing food security, empowering individuals with limited resources, and supporting the abilities of the population to manage risks and prevent future crisis.

As with other forms of aid programs, IGAs can create unexpected negative impacts. It is necessary to assess possible risks and weigh the relevant negative and positive features before beginning a program. General principles to consider when starting a program include: long-term sustainability, community participation, support for local initiatives, and attention to gender issues ("Rural Income," 2007). A negative aspect to IGAs is that though they can be beneficial in the long-run, they bring change in a gradual way. It takes time for an IGA to produce a profit, and even longer to produce a living wage. Additionally, IGAs cannot always be directed at the most vulnerable sectors of a population, given that in order for a person to take part in a IGA project, they must physically be able to work and meet a minimum threshold of participation (Giuseppe, 2007, p.32). Therefore, those with detrimental health issues (paralysis, severe learning disorders) may be able to take part in IGAs.

Analysis of Research on IGAs

With this information on nonprofits and IGAs in mind, an analysis of the existing research on IGAs in developing nations can now take place. In a study commissioned by the Food and Agriculture Organization of the United Nations, titled, “Rural Income Generating Activities in Developing Countries: Re-assessing the Evidence,” the dynamics of developing country rural labor markets are evaluated based on the income sources used by rural households to look at the importance and composition of income generating activities. This is based on the Rural Income Generating Activities (RIGA) database, a repository of household survey data and cross-country indicators for twenty-three developing nations across four continents (Winters, 2011, 51).

The results from the analysis of the RIGA dataset show that the rural non-farm economy (activities such as wage work or self-employment) plays a vital role in the income of rural households. Such activities are the type commonly organized or developed with the aid of nonprofits. The results show that non-farm activities often exceed fifty-percent of household income in many rural areas (Witesman, Unknown, 9.151). However, on-farm activities (such as raising farm animals or growing crops) were found to be more important to total income among the African RIGA nations in the sample. The level of participation, defined as the receipt of any income by any household member from that activity, among the sample was found to be an average of 26.5% for non-farm self-employed activities, showing tremendous room for growth. The clear majority of cases examined in the RIGA dataset found a positive trend between household welfare status and participation

in rural non-farming income generating activities. In rural non-farming activities, the strongest positive relationship is found for wage labor. In most of the nations, better-off households are more likely to participate in non-agricultural wage labor (Witesman, Unknown, 9.160). This study by the Food and Agriculture Organization of the United Nations was able to provide evidence that IGAs can improve household income and quality of life for individuals in developing nations.

The book “Income Generating Activities: A Key Concept in Sustainable Food Security,” by Action Against Hunger International, is based upon a consolidation of experiences and investigations regarding IGAs over a ten-year period. A key takeaway from this study is that market opportunities must guide the IGA. In areas where commercial exchanges are scarce because movement is hard due to conflict, insecurity, or isolation, IGAs often fail. In order to encourage involvement and long-term participation, it is often better to begin with activities of which the population has previous experience and cultural knowledge (F, 2015, p.8). It emphasized that the implementation of an IGA is not a suitable strategy for the most vulnerable people in the population, especially those who cannot work due to certain handicaps, prefer a regular salary, and want to avoid taking risks (F, 2015, p.7).

Management and Implementation of IGAs

It is crucial that each program has a monitoring, evaluation, and systemization process in their project management plans to evaluate the implementation of the program and the results achieved, analyze the impact of the activities, and make changes when necessary. Monitoring aims to examine the

goods and services that are offered through the IGA program, look at how they are being used to get positive results, and the effects of unexpected external circumstances on the program. Evaluation consists of appraising a program in process or one that is already finished in an objective, systematic manner. The evaluation step focuses on specific and general objectives while assessing the relevance, efficiency, and sustainability of the project. Finally, systemization looks at factors that could have intervened in the process, how they are interrelated, and why they have interacted in the manner they did. The specific methods of planning of each of these three phases will depend on the type of program and activities developed (Bushouse, 1999). Utilizing these three processes helps nonprofits who are implementing IGAs be able to spot problems in the activities and be able to stop larger issues from occurring in the future.

Explanation of Institutional Theory of Nonprofits

The institutional theory of non-profits is one that explains the circumstances that allow for the creation and expansion of these organizations. This theory is distinct from that of private and public institutions through (a) the voluntary (instead of coercive) assignment of roles and (b) the use of the good or service by those who have not paid for it (Witesman, Unknown, 9.170). According to Eva M. Witesman, in “An Institutional Theory of the Nonprofit: Toll Goods and Voluntary Action,” the theory presented suggests that nonprofit activity may be an institutional response to the excludability problem in the distribution of publicly desirable club goods. The excludability problem is that due to club goods’ desirable yet limited nature, they are by default inaccessible to individuals who may benefit

from their use (Witesman, Unknown, 9.172). This theory considers the impact of the organization's environment and the normative, cognitive, and regulative structures that surround it. These structures yield stability to actions, cultures and routines, while defining legitimacy and constraining action. This method of defining non-profit type activity allows for the analysis of institutionally similar activities of non-profits to better identify situations in which we might expect nonprofits to emerge and evolve in response to distributional problems that arise in society. Specifically, this theory states reasons we might expect non-profit activity to grow even in the absence of market and government institutions in response to the need to distribute a particular class of goods.

The institutional theory of nonprofits suggests that markets, governments, and voluntary institutions are parallel, instead of hierarchical, which differs from the market-failure-leads-to-government-failure-leads-to-nonprofits narrative that widely dominates literature on the topic of nonprofits. Another contribution of this theory is that it proposes we can work to devise institutional mechanisms to eliminate barriers to inclusion (Bushouse,1999). Instead of central institutions using coercive powers as a means of primary distribution for club goods, efficiencies can be found in decentralizing the responsibility for the distribution of goods. This may allow individuals and firms to voluntarily distribute club goods.

The most vital aspect to the institutional theory of nonprofits is that non-profit type activity can be seen as an institutional response to the issue of over-exclusion in the distribution of publicly desirable club goods. This theory can provide vital insight into the circumstances that give rise to the creation of

nonprofits and the kind of solutions that can work to overcome the excludability problem to raise the quality of life for all members of society.

Conclusion

The existing literature on the topic demonstrate the positive correlation between income generating activities and household income, as shown by the analysis from the RIGA database. Such data shows the potential for positive change for IGAs, and supports the argument that it can be beneficial to examine trends in challenges nonprofits face and to propose potential solutions for some of the most-pressing problems. It is valuable to know that each IGA must have a monitoring, evaluation, and systemization process for it to run properly and will help us to understand differing organizational issues each nonprofit may face. There was existing research regarding forms of IGAs used in various nations, but there was little in-depth analysis of challenges faced by nonprofits. There exists numerous books, articles, and blogs offering general advice, such as what form of IGA to start and where, but not an analysis of trends in issues these organizations face.

Through conversing with representatives from a sample of non-profits it can be ascertained if the conditions that allowed for them to begin and continue their work aligns with that of the institutional theory of nonprofits. By looking at similar activities of nonprofits, trends can be identified where it might be expected for nonprofits to develop and grow in response to distributional problems that arise in society and offer guidance on how to mitigate future problems.

Methods

Introduction

The methods of research in this thesis are qualitative analysis from individuals working for a nonprofit organization. All research focused on the challenges faced by nonprofits who implement IGAs in an African nation to evaluate if the institutional theory of nonprofits is upheld.

Participants

The participants of this thesis were representatives of eight nonprofits. I was able to speak with the program director or founder of each organization. This was a convenience sample based on type of nonprofit work conducted, size of organization, the location of the population it was aiding, and specific IGAs implemented. The nonprofits selected are ones with a small number of full-time employees (generally 5-10) working to implement IGAs in an African nation. The contact information for five of these organizations was attained by searching online for organizations that fit the parameters of the thesis. The three remaining organizations' contact info was obtained through a referral from nonprofits already participating in the study.

Organization of Interviews

Seven of the interviews were conducted over the phone and one nonprofit responded by answering the interview questions via email. Lengths of the interviews ranged from thirty minutes to forty-five minutes. Notes were taken on a laptop for the duration of each phone call. Questions were asked to gain a

deeper understanding of the goals of the organization, learn about the specific IGAs employed, and the successes and challenges faced by the organization.

The interview questions asked are as follows:

1. Can you summarize the mission and values of the nonprofit you work for?
How did you choose what country to conduct nonprofit work in?
2. What is your organization trying to accomplish?
3. How do you measure success?
4. What income-generating activities do you employ? What has been your greatest successes and challenges using them?
5. How did you enter the market?
6. What would you do differently when beginning to implement the income-generating activities?
7. Have there been any difficult cultural barriers to overcome?
8. Have there been any legal barriers to overcome? (I.e. surrounding the operations of a business, employment)
9. Over time, have individuals you aided been able to operate their own sustainable income generating activity

Procedure

The results of each interview question were compared across all eight interviews. Each question was analyzed by reading the interview transcripts and identifying trends in responses. Trends were then analyzed to search for most common challenges that the nonprofits experienced.

Results

Introduction:

The results from the eight qualitative interviews are discussed in this section. Responses to each question was analyzed to find trends in responses across all eight organization. Trends in responses were then analyzed to see common challenges among organizations and if the nature of the challenges support the institutional theory of nonprofits. The institutional theory explains the circumstances that allow for the creation and expansion of organizations. The institutional theory of nonprofits suggests that the core issue with the delivery of desirable goods, defined as excludable, but non-rivalrous goods, is over-exclusion. The term “over-exclusion” is referring to goods and services that are inaccessible by individuals who need them. This key understanding can provide greater insight into what kinds of solutions can work to overcome the problem of over-exclusion to raise the quality of life for all members of society.

The Mission and Values of the Nonprofits

There were three dominant trends that surfaced when interviewing the nonprofits about the mission of their organization. The first, and most prominent, theme in responses was education. Four out of eight nonprofits stressed the need for quality education that was not based on gender or income. As stated by Lisa Merton, chair of the Green Belt Movement, “Self-knowledge and education gives people the ability to look at problems and see that you can make a change.” Four nonprofits also mentioned that women empowerment was central to their efforts. They discussed that they want women to become agents for transformation in

their communities. For this transformation to happen, they want to instill in women the idea of taking ownership of their capabilities. In practice, this consists of helping the women gain employment or start their own enterprises. When women have the means to support themselves, their children can go to school instead of working to support the family. As Julie Miller, Program Director of the Adera Foundation stated, "We are in the family preservation business."

The third and final trend was community development. A self-sufficient community can work together to end the cycle of poverty that is so prevalent in these nations. All organizations stressed that they were passionate about holistic care for individuals in need. These three aspects of the nonprofit's missions and values support the institutional theory of nonprofits in that the excludability of resources in the African nations gave rise to nonprofits that work to eliminate barriers to inclusion, leading to the voluntary distribution of goods.

Choice of Country Location

It was important to understand the motivations behind each nonprofits' choice to work in their respective nations. The majority of participants said that their organizations were started by people in the country where the work takes place. In contrast, three respondents, representatives of Akola, Roots Ethiopia, and Harambee, said their founders were inspired by short-term trips to the African nations they work in. The latter felt a strong draw to these nations because they were the people who needed the most assistance and where the founder could be of the most help. These short-term trips were typically repeated over a few years, before the founders decided to formally begin organizations to aid these areas.

When discussing the strong urge she had to aid rural communities in Ethiopia after a famine in 2011, Meghan from Roots Ethiopia said, “The work chose me, I didn’t choose the work.”

Measuring Success

The methods used by each nonprofit to measure success varied widely based on the country they were located in and the IGAs used. For Project Harambee, success determined when the organization is able to purchase \$2000 worth of crafts from the women that they support with donations of craft supplies. Additionally, it’s celebrated as a success when a woman working to make crafts is able to save up enough money to send their kids to school. In contrast, the GreenBelt Movement measures success through a step-by-step measurement and evaluation process. Each grant they receive, whether from a private donor or a government grant, has a list of goals Greenbelt must achieve with the money from the grant. Greenbelt’s success or failure with the project funded by the grant often determines if the private donor or government will give them future grants.

Measurement and evaluation were also key aspects for the African Bush Camps Foundation. Success is measured by the rate of completed projects and people’s utilization of the by-products of their work. The remaining nonprofits say they have succeeded when the individuals they aid start to express their own ideas, tell their stories of positive change, save for the future, and can meet their own financial needs in a sustainable manner.

Income-Generating Activities and the Greatest Successes and Challenges

The most common IGA used by the participating nonprofits was beadwork. The beads were used to make jewelry such as necklaces, bracelets, rings, and earrings. The work was conducted both in groups and individually. Beadwork is a popular IGA option since beads can be made from recycled materials such as paper or plastic. Beads can then be shipped or sold at a local market or to another country to be sold. Other less common activities included tree planting, selling coffee, basket weaving, needlework, sewing, bakeries, cooking, weaving, and selling soaps. A full list of the IGAs these organizations used can be found in Table 1 in the Appendix.

These successes, when implementing IGAs, occur when the people being supported can be self-reliant. In contrast, resources have been scarce before during political turmoil and struggling economies can make it difficult for people to sell the goods they create. These factors made safety challenging and it was difficult to meet in group settings without the government becoming suspicious of the organization's activities. This aligns with the institutional theory of nonprofits as several nonprofits were conceived due to the absence of market and government institutions ability or willingness to serve and protect its citizens. Additionally, nonprofits in Ethiopia have a hard time promoting women to leadership positions. Historically in Ethiopia, women have not been allowed into leadership roles. Since the women view each other as peers, no one wants to step up to lead teams. As a result, leadership roles must be recruited from outside organizations, instead of promoting from within.

Entering the Market

When asked how each of their nonprofits entered the market, organizations gave responses that reflected how they were able to sell the goods produced by IGAs and maintain relationships with the individuals who were making the goods. The vast majority of people selling goods produced by IGAs sell them at a local outdoor marketplace. It is vital for the organizations to continually stay in-touch with those being helped by their efforts; and search for new ways to increase sales. A woman who worked in bead making said the key to selling their jewelry is that people have to be attracted to the quality of their pieces, even without the mission of the nonprofit attached. Obert Manyeza, a representative of the African Bush Camps Foundation, stressed that, "It is imperative that the Foundation considers strategies of market expansion."

Maintaining relationships with the communities that nonprofits reach out to can be difficult. It can be hard as people sometimes are not forthcoming and it takes time to establish trust between the nonprofit and community. Community empowerment seminars have been a leading way for organizations to get to know the local community while encouraging involvement. These seminars focus on an asset-based approach development that focused on the existing talents of the community, instead of highlighting what may be lacking. The hope is to establish life-long friendships with these people, but to encourage them to be independent and not rely on the nonprofit indefinitely.

Mistakes Made When Implementing Income-Generating Activities

One hope of many of these organizations is to decrease (if not eliminate) the presence of dependency syndrome, which can be defined as an attitude and belief that a group cannot solve their own problems without outside help. This is a shift of mindset that has been slow to change and usually take place over the course of many years. Addressing this concern in seminars and group meetings with communities is now a priority for many nonprofits. Communication skills was an aspect of operations that many organization said was lacking at the start of their work. However, understanding how to reach out to their respective communities was something they had to grow to understand with time. Additionally, several nonprofits expressed that they wished they had better understood the imperative business management and financial skills that are critical for starting any IGA, no matter how large or small. They also wished they had done more business skills training for those being aided with IGAs. One nonprofit expressed frustration with their board of directors; and wants the board to step up more in their duties.

Cultural Barriers

Nearly every nonprofit expressed that they had faced challenging cultural barriers unique to their respective locations. One recurring theme was cultural disharmonies between women being helped by nonprofits. Tribal and religious competition, even rivalries, is a common occurrence in Africa. These rivalries can lead to tense relations between people groups. Some African nations have over fifty different tribes with over eighty recognized languages. One nonprofit

referenced an experience with a bakery that started with twenty employees, but is now down to just four due to strained relationships due to tribal conflict between the women. One of the most disparaging issues that some nonprofits face is that the women in some communities are not allowed to take jobs due to custom, religious traditions, or their husbands forbidding them to work. In Kenya, some women are not allowed to use a bank to save money, as the "man of the household" handles the finances. The institutional theory considers the impact of the organization's environment and the surrounding normative, cognitive, and regulative structures that surround it. The cultural norm of women not being allowed to work by their husbands limits the subsequent ability for the nonprofit to aid those in the community.

The importance placed on local leadership involvement in projects has taken stakeholder engagement to high levels in communities where tribal chiefs have to be consulted and updated on ongoing nonprofit operations. The African Bush Camps Founder cited an occasion in Botswana where the blessing of the chiefs affected the time frame for building a preschool in the Khwai Village of Botswana. Additionally, in some communities there are government officers that keep tabs on neighborhoods and businesses. Crafting a positive relationship with these officers can be key to warding off burdensome government intervention in the nonprofit's operations. A representative of Akola stated that it is key to know "cultural barriers will never go away and you'll never fully understand them." These organizations greatly value the integrity of the traditions in their respective

nations and view each of these instances as opportunities to further build positive relationships.

Legal Barriers

Government corruption or intervention was an experience that many of the nonprofits have come against. Lisa Merton, from the Green Belt Movement, said that the Kenyan government actively tried to destroy the organization through the 1980s-1990s. Green Belt is an organization that champions democracy and environmental conservation that empowers communities, which was in direct opposition to the ruling dictator. Corruption can also take place in the form of in burdensome, overly complex tax laws and officers who demand bribes when submitting legal paperwork. In some cases, it can take over a year for the government to approve an organization's paperwork.

A representative of the Ruben Center, located in the Mukuru slum of Kenya, expressed frustration when discussing that the people they were helping were not able to own land in the slum, as it was government property. This restricted the IGAs that people could employ. In Ethiopia, it is easier to have the nonprofit registered with an Ethiopian than the expatriate, as expatriates would have to put \$200,000 into an Ethiopian bank account. A representative of the Adera Foundation said they regretted registering one of their IGA activities as a government IGA in Ethiopia, as the operations had to be run by Ethiopians, and volunteers with the nonprofit had to be much more hands off than if they had not registered it. This was the result of the government trying to keep expatriates out

of business operations. It is worth noting that three nonprofits said they had not experienced any difficulties that they could attribute to legal barriers.

Individuals Operating Their Own Income Generating Activity

All nonprofits I interviewed said they have been able to have individuals operate their own sustainable IGAs completely independent of the nonprofit. The majority of the people who are making their own IGAs are women. It is very difficult to get men to gather together. Additionally, by helping women make their own businesses, a much higher percentage of the income generated from the business is put back into caring for the family unit.

There are varying levels of independence that these women have been able to achieve. The first level being able to meet immediate needs such as food, water, and shelter. The next level includes being able to pay to send kids to school, and the final level includes looking to the future and saving money to use for repairing belongings, buying animals, etc. IGAs people continue to use to support themselves include selling vegetables, selling coffee, embroidery, bead making, and starting bakeries. The founder of Project Harambe says the organization has been able to stay true to its motto: "Project Harambee gives people a hand up, not a hand out." The work of these nonprofits aligns with the overall mission of the institutional theory, which is to eliminate barriers to resources and ultimately raise the quality of life for all members of society.

Discussion

Introduction

Through analyzing the results of eight qualitative interviews, the challenges that nonprofits face when implementing income generating activities in African nations have been evaluated with the institutional theory of nonprofits. The institutional theory was confirmed in my findings as nonprofits were helping to overcome barriers to inclusion (I.e. working to help vulnerable populations gain access to vital goods). There are several conclusions that can be drawn from the analysis as well as surprising findings.

Findings and Implications

The first of the major findings from the research is that the methods used by nonprofits varied widely; and could be either qualitative or quantitative in nature. While some organizations valued step-by step measurement processes others preferred subjective analysis from nonprofit volunteers. For instance, Project Harambee's founder described success as being when the organization is able to purchase \$2000 worth of crafts from the women that they support. In contrast, the GreenBelt Movement measures success through a step-by-step measurement and evaluation process that uses a numerical rating system to gauge the success of each step in a project. As an organization that often uses government grants, they must achieve a list of goals with the money from the grant.

Nonprofits that preferred qualitative methods had vague descriptions of their monitoring and systemizations processes. As noted in the literature review, utilizing systemized processes helps nonprofits who are implementing IGAs be able to spot problems in the activities and be able to stop larger issues from occurring in the future. Nonprofits who use a qualitative approach may be missing key insights into how inside and outside factors have affected the IGAs, how processes are interrelated, and why factors interacted in the manner they did.

An additional important finding from the study is the overall importance of ongoing positive relationships between the organization and the individuals being aided by the usage of IGAs. This was stressed by multiple respondents when answering several different interview questions. It can take awhile for trust to be gained from members of vulnerable communities. The most frequently mentioned response from interviewees when asked about mistakes they had made when beginning IGAs was a lack of research into proper communication methods. Community development and women empowerment seminars hosted by nonprofits have proven to foster trust, goodwill, and a better understanding between vulnerable populations and nonprofits. Positive relationships with those being aided affect morale, a willingness to trust the nonprofit, and work ethic.

The third main finding is the widely varying cultural differences that these nonprofits faced. Tribal and religious competition, and sometimes conflict, inhibit groups of men and women from working together peaceably. Additionally, some African nations have more than eighty recognized languages, so entire people groups cannot communicate with one another. This is further complicated by the

strong presence of tribal leaders and how many rural communities need the approval of tribal chiefs before a nonprofit organization's project can be introduced into the community. A sadly reality of many of these countries is that when men are able to operate their own IGA, they often spend it on themselves and not the children or family unit as a whole. These cultural practices are ingrained into the way of life in many of these countries and while these organizations strive to appreciate and embrace cultural differences, they also acknowledge that, in some cases, they can be a hindrance on societal progress.

Limitations and Recommendations for Future Study

There are limitations to this thesis. Eight nonprofits were interviewed that conduct work in five different African nations, but a larger sample size would have been beneficial. Interviews were conducted over the phone or via email, but in-person interviews could have garnered more detailed responses. A longer list of interview questions could have delved deeper into more complex challenges faced by these organizations. The proposed additional research is needed as it would help nonprofits seeking to begin implementing IGAs in Africa overcome obstacles and better serve vulnerable communities.

Conclusion

Existing literature on IGAs demonstrate the positive correlation between income generating activities and household income. Interviews conducted and analyzed in this thesis confirms the existence of positive societal implications for communities with IGAs. The work of these organizations aligns with the mission

of the institutional theory, which is to eliminate barriers to resources and raise the quality of life for all members of society.

Implications

The aim of this study was to examine the challenges that international nonprofits face when helping individuals living in poverty implement IGAs in African nations with the institutional theory of nonprofits. This goal has been accomplished through conducting eight informational, qualitative interviews with executive directors or founders of nonprofits working in this field. Accordingly, the major practical findings of this research provide much needed qualitative information on the obstacles that these organizations face. This research is important, given that other comparable studies either analyze the challenges of implementing IGAs or examine the challenges of nonprofits operating in Africa. Previous studies have not combined the two topics.

The first key implication from the research is the importance of cultivating positive relationships on the government, community, and individual levels. Trust was the most important factor that impacted if an organization could form long-term relationships. Trust could only be established over time through continued outreach efforts to vulnerable communities and the relevant stakeholders in the area. A second key takeaway is that all eight organizations expressed eight different ways to evaluate the success of IGAs. Nonprofits that receive funds from government grants prefer a numerical evaluation of projects while organizations that receive funds from private donors prefer subjective evaluations where progress is determined by a project manager.

The third key takeaway is the importance of navigating cultural differences. One of the most prominent trends in responses was the cultural differences between women who live in vulnerable communities. For example, the prominence of tribal and religious competition and conflict made workplace relations tense. An employee of Adera reported that a bakery they started originally had twenty employees, and after a couple months the staff had been reduced to four employees because most of the women were from opposing tribes. Additionally, several organizations reported that some women's husbands did not permit them to work, as the husbands wanted the wives to stay home and perform domestic tasks. All eight nonprofits reported that they extend their services to women, as historically they are more likely to spend their income on the family unit than their husbands. Another significant cultural difference is the importance of local leadership involvement and tribal leadership. In many African communities, tribal leaders or local government officials must be consulted before the nonprofit is able to hold events in the communities. As many African nations have widely varying tribal, religious, and gender role differences, these nonprofits have stressed that it is important to be aware of how to invoke positive change yet be respectful of these practices.

The research conducted showed that the institutional theory of nonprofits was upheld. The institutional theory states that when market or government institutions fail, a community needs a voluntary redistributive organization to supply vital resources at no cost to the consumer. These resources include clean water, food, shelter, education, and healthcare services. The theory proposes that

nonprofits can be the voluntary organizations to redistribute these key goods. Through analyzing the results of this study, each organization stated that they had been successful in filling the gap left by market or government failure and are helping individuals gain access to vital goods through the implementation of IGAs.

Although the study only included a convenience sample of eight organizations, the testimonies of these nonprofits provide valuable insight into a topic that has not been widely explored by researchers. Future research on this topic should include a larger sample of organizations to allow for a deeper analysis of the work these organizations conduct. The results from this thesis can now serve as a resource to organizations starting IGAs in Africa. It is my hope that organizations who were interviewed for this thesis can gain insight from the findings of this study.

Conclusion

The challenges that nonprofits beginning IGAs in Africa face are numerous. However, even more numerous are the success stories and lives positively impacted from IGAs. I am encouraged by the determination and work ethic of the individuals living in poverty as well as the employees of the nonprofits. While the work that results from IGAs is gradual, the businesses that result from the skills-training provided by nonprofits have proven to be imperative to the vulnerable communities where they reside.

Poverty is one of the world's most pervasive issues, but the development of IGAs with the aid of nonprofits are a sustainable, long-term solution. Existing literature demonstrated the positive correlation between IGAs and household income; and by interviewing eight different organizations actively IGAs, we were able to see the positive effects of IGAs on various communities across the African continent. Through the completed examination of similar nonprofit activities, trends in obstacles that nonprofits face were successfully identified.

Appendix

Table 1

Nonprofit	Type of Nonprofit Work	Size of nonprofit	Location(s) Aided	Income Generating Activities Used
Adele Foundation	Empowers women in Ethiopia through income-generating activities	5 full-time employees as well as a board of directors	Ethiopia	bead making, artisan activities, mill, bakery
African Bush Camps Foundation	Community Development Through Responsible Tourism: African Bush Camps Foundation is a registered non-profit charity committed to sustainable community development in creating opportunities that empower rural communities located in vulnerable wildlife areas around our Safari Camps in Zimbabwe and Botswana through Education, Community Empowerment, Community Infrastructure and Conservation..	6 team members	Zimbabwe & Botswana	hardware shop, organic vegetable garden, jewelry making, sewing project
Akola	Akola is a nonprofit jewelry brand that empowers women in Uganda and Dallas, TX to redesign their stories. Each piece is handcrafted by 1 of 500 women in poverty working to redesign the future of their families. 100% of Akola revenue is reinvested in our mission to help these women transform their families and communities.	small administrative team and 500+ bead makers from Uganda and Dallas	Uganda	jewelry making
Mirror of Hope CBO	Provides aid to those in need in the Kibera slum of Nairobi, Kenya by providing education, sponsorships, school holiday programs, and women empowerment programs	Unknown	Kibera Slum in Nairobi, Kenya	sewing, weaving, entrepreneurship, microfinancing, women empowerment programs
Project Harambee	HARAMBEE is dedicated to helping African families impacted by HIV improve the lives of their vulnerable children. We do this by supporting sustainable community development projects in education, health care, and economics, projects that are not "charitable" but empowering. Africans don't want a handout, but a hand UP.	small team (exact number unclear)	Kenya	jewelry, seed money for businesses, cooking, solar lanterns
Roots Ethiopia	Supporting community identified solutions for job creation and education in Southern Ethiopia	8 directors, field workers	southern Ethiopia	\$325 grants for women or men to begin their own businesses to start to generate their own source of reliable income
Ruben Center	Ruben Centre is a faith-based organization striving for an empowered and just Mukuru community by providing quality education, health, financial and social services to children and families in Mukuru community.	small group of full-time employees + board of directors	Kenya	sewing, knitting, misc life-skill development
The Greenbelt Movement	Focus on environmental conservation and economic development projects	staff & board of directors - 53 staff members in Kenya	Kenya	tree planting, seedlings are then purchased by the Greenbelt Movement

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