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Contours of the Accreditation Purpose and Process

International by Design

International Accreditation Perspectives for Nonprofit Management Education

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Abstract

The classification process of American nonprofit sectors is diverse and complex. The classification process at the international level is further complicated by sector hybrid organizations responding to diverse national legal systems and diverse sociopolitical contexts. In this paper, I address some of these complexities with nonprofit organizational cases from East Africa and Western Europe and nonprofit-related educational programs. I offer recommendations to incorporate this diversity into the definitions of accreditation criteria for nonprofit management education with the aim of preparing students for the 21st century.

Keywords: *international classification; nonprofit institution; social enterprise; nongovernmental organization*

The classification of global nonprofits is an important question to consider in the goal of nonprofit management education (NME) and accreditation. In the Preface to Salamon's (1996) paper, Salamon and Anheier note that the Johns Hopkins Comparative Nonprofit Sector Project made an important contribution to this goal when it gathered scholars from around the world in a "collaborative effort . . . to understand the scope, structure, and role of the nonprofit sector using a common framework and approach" (para. 1). This has become the standard in identifying the dimensions, size, and impact of global civil society organizations (Salamon, 1999; Salamon & Sokolowski, 2004). The Comparative Nonprofit Sector Project helps define the widely diverse organizations into agreed upon general characteristics such as formal, private, self-governing, and nonprofit distributing (Salamon & Anheier, 2015). These cross-country comparative studies and international classifications have been helpful to define the scope, influence, social benefit, and economic power of the third sector beyond commercial and government impact. With the goal of designing nonprofit education programs that address the needs of 21st century students, I assert that those in the nonprofit sector need to modify their understanding of comparative nonprofit sectors, widen their American-centric definition of charity organizations (501[c][3]), and reconsider the dominance of philanthropy (philanthro-capitalism) and the emphasis of fundraising in NME. They need to consider other important dimensions and developments in the nonprofit sector and analyze how their teaching will address the emerging dimensions and trajectory of the internationalization of the nonprofit sector. I will use as case studies the country of Kenya for Africa and the country of Italy for Europe. I will demonstrate major social sector transformations in diverse human development and social-economic contexts. I will focus on the important social sector evolutions in Sub-Saharan Africa and Western Europe. Based on these trends and examples, I will consider implications and make recommendations to standardize and recognize NME programs that are "international by design." The accreditation processes for public administration master's in public administration (MPA) degrees (NASPAA) and master's in business administration (MBA) degrees (AACSB) have been following the method of first developing an accreditation model for American education institutions and then later applying it to academic institutions abroad. The accreditation process for nonprofit nongovernmental social sector management education degrees could follow a more inclusive route. The idea is to include both U.S. and international social sector organizations from the beginning of the accreditation process.

Several studies have highlighted the issues of definitions, classifications, legitimacy, and contribution of nonprofit institutions (NPIs) internationally (Casey, 2016; Powell & Steinberg, 2006; Salamon & Anheier, 1992a, 1992b, 2015). It is important that the NPI definitions and classifications are properly understood and centered on the global/international diversity of the social sector so that those in the nonprofit sector favor a more "international" and less "American" or "Western" perspective in revising NME-related programs. The "grey" (hybrid) areas pertaining to nonprofit classifications are important for engaging in a constructive and creative dialogue in the nonprofit social sector. In addition to the NPI-specific organizations, the other two classifications are related to public benefit organizations and the social economy. I demonstrate these expansions of the definition of nonprofit in the Kenyan-African and Italian-European cases. These perspectives, in addition to the generally agreed upon

general characteristics of what constitutes an NPI, are important points of departure that will generate a set of practical perspectives that integrates internationalization into the teaching, learning, and NME competencies. They expand on the considerations that O'Neill and Fletcher (1998) cited in their edited volume on U.S. and world perspectives on NME. Ultimately, this analysis is instrumental in providing a platform to prepare NME program accreditations that are culturally intelligent and internationally relevant, and it helps prepare 21st century nonprofit managers and leaders to change the world effectively, innovatively, and sustainably.

Nonprofit International Classifications

The nonprofit sector definition is complex and multifaceted. With the addition of hybrid organizations entering the nonprofit space, the complexity around its taxonomy increases. Salamon (1999) identified five characteristics of an organization for classification within the nonprofit sector:

- organizations (i.e., they have an institutional presence and structure),
- private (i.e., they are institutionally separate from the state),
- not profit distributing (i.e., they do not return profits to their managers or to a set of owners),
- self-governing (i.e., they are fundamentally in control of their own affairs), and
- voluntary (i.e., membership in them is not legally required and they attract some level of voluntary contribution of time or money).

These characteristics helped bring a unifying definition to the large and complex nonprofit sector. They have also been instrumental in formulating the criteria included in the *Handbook on Non-Profit Institutions in the System of National Accounts* (United Nations & Statistical Division, 2003). The NPI frameworks, concepts, and classifications were designed as an extension and clarification of those in the 1993 System of National Accounts (SNA), considered the most reliable classifications of organizations formulated by the Commission of the European Communities, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, and World Bank. For such classifications, it is important to calculate economic contributions of specific sectors and to identify the interrelated organizational dimensions across sectors. The revised SNA 2008 version significantly updates, clarifies, and expands upon the definition of NPIs by placing them in their cross-sector unique position:

Non-profit institutions (NPIs) play a somewhat unusual role in the SNA. Like corporations, some NPIs produce goods and services for sale with the intention to cover costs, that is to say, as market production. In common with other market producers, they cannot undertake final consumption. Like government units, some NPIs are non-market producers and make their output available free or at prices that are not economically significant to individual households or the community at large. Some of these non-market NPIs are controlled by government and included in the general government sector but those that are not are grouped in their own sector, the non-profit institutions serving households (NPISHs). (European Commission, International Monetary

Fund, Organisation for Economic Co-operation and Development, United Nations, & World Bank, 2009, § 23.1).

The SNA classification further expands the international classification of NPIs by clarifying the following:

1. *In relation to civil society:* Some NPIs, especially in developing countries, are informal entities whose existence is recognized by society but does not have any legal status (European Commission et al., 2009, § 23.2). This is important to note, because in some countries civil society organizations are more closely related to social movements, and although they have formal governance structures, their informality is often instrumental to maintaining governmental autonomy and seeking social change (Tavanti, 2003).
2. *In relation to government:* Some NPIs are controlled by the government in that the government can appoint its officers and determine the objectives of the institutions (European Commission et al., 2009, § 23.5). Each of these NPIs is treated as an institutional unit separate from government because it has independent control of its budget (even if much or all of the funding comes from government), but it is allocated to the general government institutional sector.
3. *In relation to business:* Some NPIs make a profit, are exempt from taxes, and have a charitable purpose, but none of these are determining characteristics (European Commission et al., 2009, § 23.3). The only essential criterion for a unit to be treated as an NPI is that it not be a source of income, profit, or financial gain to its owners.

Hence the SNA definition of NPIs is as follows:

Non-profit institutions are legal or social entities, created for the purpose of producing goods and services, whose status does not permit them to be a source of income, profit or other financial gain for the units that establish, control or finance them. (European Commission et al., 2009, § 4.8)

Under this core classification of NPIs are organizations known as nonprofit service providers (hospitals, higher education institutions, day care centers, social service providers, environmental groups, etc.); nongovernmental organizations (promoting economic development or poverty reduction in less developed areas); arts and culture organizations; sports clubs; advocacy groups; foundations; community-based or grassroots associations; political parties; social clubs; unions, business associations, and professional associations; and religious congregations (European Commission et al., 2009, § 4.8).

However, SNA classification recognizes the existence of “satellite” accounts for the NPIs identified beyond and in between the Johns Hopkins Comparative Nonprofit Sector Project’s five core nonprofit characteristics. These satellite accounts are manifested in

1. the notion of social economy organizations (European Commission et al., 2009, § 23.15), which depicts nongovernmental institutions with a social or collective purpose with a strong element in market production (i.e., cooperatives, mutual societies, associations, social enterprises, etc.) and

2. the notion of public benefit organizations (European Commission et al., 2009, § 23.16), which typically covers a narrower range of institutions that serve a broad public purpose and excludes institutions that serve only their own members (i.e., self-help groups, social cooperatives, social ventures, quasi-NGOs, etc.).

In the following section, I explore how these satellite developments are becoming predominant elements in social sector practices and therefore in the response that academic institutions have to developing appropriate nonprofit capacity.

African Nonprofit Perspectives

There is an ongoing social sector transformation in Africa. Kenya in particular is a cradle for nonprofit innovation in Sub-Saharan Africa (Adesida & Karuri-Sebina, 2016). Nonprofit organizations are growing not only in number but also in their diverse and hybrid configurations to achieve their social missions more effectively. This is a positive response to the failure of public services and global economic trends manifested in the inadequate social services and limited or dependent economic opportunities. Nongovernmental organizations' (NGOs) engagement in development and cooperation in Africa through government aid and philanthropic models is no longer adequate.

In Kenya and throughout Africa, the strategic operations of NGOs are rapidly changing largely because of two factors. First, NGOs are losing their autonomy. African political leaders and national public institutions have systematically marginalized the role and effectiveness of civil society (Obadare, 2013) by instituting mechanisms of NGO control for the perceived international interference in sovereign affairs. In neighboring Uganda, NGO control has become exacerbated with new legislation perceived as an attempt to tighten control over their activities and curb dissent of civil society ("Uganda," 2015). Second, the image of NGOs in Africa as key partners and deliverers in development projects has been tainted by a growing literature of diffidence toward the official development assistance and a codependency of North–South models of development (Easterly, 2013; Moyo, 2009). Even with China's infrastructural developments and its cooperation with Chinese-government-organized NGOs, the development future for Africa does not appear to be so democratic, equal, or independent (Kaplinsky, 2013).

The future of Africa's inclusive, democratic, and sustainable development path appears to be in need of a prepared and engaged social sector. Social sector organizations, through adequate economic mechanisms, can be instrumental in supporting the socioeconomic needs of countries affected by poverty, inadequate social services, and dependency (House-Soremekun & Falola, 2011). As Fowler (2000) described, nongovernmental development organizations are in the best position to articulate social development in Africa. But they can do so only by embracing socially innovative solutions and by providing adequate educational opportunities to their social sector managers and leaders.

Nongovernmental, civil society, and nonstate actors were instrumental intergovernment partners during the postcolonial period of Africa (Shivji, 2007). During the

economic restructuring and reduced government expenditures of the 1980s and 1990s in particular, their programs provided essential health, educational, and other social services. In the new millennium, the work of international NGOs and national civil society organizations has been affected by further restrictions, competitions, and requirements to secure government and intergovernmental funding (Obadare, 2013). The need for integrated and innovative models of socioeconomic development is even more urgent to achieve the United Nations Sustainable Development Goals (SDGs) by 2030. The 17 SDGs with 169 targets benefiting people, planet, prosperity, partnership, and peace require the reinforcement and expansion of the cooperation with the nonprofit social sector, but also require other commercial and hybrid solutions. In Kenya, the nonprofit nongovernmental social sector is gradually responding to these new challenges with a strategic shift that integrates business solutions, social innovation, and social enterprise models into its organizational and programmatic configurations. The shift is necessary but also appropriate to secure funding for its social missions and the opportunity to achieve a more sustainable and scalable model of development. International aid agencies too have been supporting this shift by encouraging request for proposals and development policy strategies for social enterprises and other social business solutions to reaching the country's social and sustainable development priorities (Surasky & Gamba, 2016).

The nonprofit sector in Kenya, as in most developing countries, is furthering its integration of organizational models and economic solutions beyond charity, aid, and cooperation models of development. This change is intended to encourage the social mission and public benefit of their endeavors while securing more political and financial independence. The Kenya Ministry of Devolution and Planning has adopted the term *public benefit organisations* (PBOs Act 2013) as an opportunity to reclassify social sector organizations and to build broad partnerships with civil society groups. The PBO Act, created through a multiyear, multistakeholder process, grants PBO status to all membership and nonmembership organizations carrying out public benefit activities. It also provides benefits such as tax incentives to those organizations.

Under Kenya's NGO Coordination Act of 1990, the term *NGO* refers to organizations that benefit the public at large and for the promotion of social welfare, development, and charity in areas such as agriculture, health, relief, and education. The term *civil society organizations* in Kenya represents a diverse spectrum of organizations including NGOs (international) and nonprofit organizations (societies, associations, clubs, and churches). Currently, there are more than 6,500 registered NGOs (Non-Governmental Organizations Co-ordination Board) and more than 70,000 nonprofit organizations (societies registered under the Registrar of Societies). Cooperatives are a common organizational configuration in Kenya, as they provide another hybrid social-commercial level of benefits. This is the case of the Savings and Credit Cooperatives (or SACCOs), a special type of cooperative offering financial services with a major focus on mobilization of funds and provision of affordable credit to its members, who are both the owners and the users (Sacco Societies Act, 2008). SACCOs, similar to credit unions in Europe and the United States (501[c][1] and 501[c][14]), were developed to meet the fundamental human need of saving and borrowing without too much power to a private moneylender. They operate with some basic principles comparable to other principles of nonprofit organizations: voluntary and open membership; democratic admin-

istration and member leadership; member economic participation: service and surplus return to members; continual education to members and leaders; autonomous and self-help; concern for the community; and cooperation among cooperatives (USAID, 2006).

In Kenya, NGOs often use business models to achieve their social mission in rural and urban areas. There are growing numbers and examples of NGOs with commercial activities, NGOs with for-profit spin-offs, and for-profit social enterprises founded by NGOs and nonprofit sector leaders. These types of hybrid forms are becoming the norm in the social sector and across different areas of social and environmental concerns in Kenya and throughout Africa. Some of these social enterprises are becoming the main financial services, as in the case of M-Pesa, a mobile-phone-based money transfer, financing, and microfinancing service in Kenya. M-Pesa was originally designed as a system to allow microfinance-loan repayments to be made by phone, at the cost and risk of handling cash. However, after its trial stage, it soon became a general money-transfer scheme and a successful mechanism for financial inclusion and open development (Reilly & Smith, 2014). Another example of hybrid developments is the Regional Institute for Social Enterprise (RISE), a registered NGO in Kenya that provides capacity to sustain livelihood through social enterprises. In partnership with the Catholic University of Eastern Africa (CUEA) and Training in Development Education (TIDE, Netherlands), RISE entered the field of higher education with action-learning master degree programs, certificates, and other trainings in development work, social business, and impact entrepreneurship (risekenya.org). Other colleges and universities in Kenya have followed a similar path to develop doctorate, master, and certificate programs in social transformation, as in the case of Tangaza University College, a constituent college of the CUEA currently in the process of becoming an autonomous accredited university (tangaza.org).

European Nonprofit Perspectives

European nonprofits are being reconsidered in the ongoing conversations of the so-called social economy (SE) and are becoming more inclusive of social enterprise organizations (Defourny, 2001). In 2012, the European Economic and Social Committee (EESC) updated the 2006 originally commissioned report from the International Centre of Research and Information on the Public, Social, and Cooperative Economy (CIRIEC) assessing the social sector economic impact in the 27 member states of the European Union (Campos & Ávila, 2012). In contrast to Salamon's restricted NPIs definitions (United Nations & Statistical Division, 2003), the SE definition is broad and not only includes organizations that are private, are self-governing, are voluntary, provide human services, and cannot distribute revenues to members, but also includes those that "meet their members' needs through the market by producing goods and providing services" and are able to distribute profits to their members (Campos & Ávila, 2012, p. 19). The report incorporates the most recent conceptual definition of the SE provided by the *Charter of Principles of the Social Economy*, which was promoted by the European Standing Conference on Cooperatives, Mutual Societies, Associations, and Foundations (CEP-CMAF, 2007):

- the primacy of the individual and the social objective over capital,
- voluntary and open membership,

- democratic control by membership (does not concern foundations, as they have no members),
- combination of the interests of members/users and/or the general interest,
- defense and application of the principle of solidarity and responsibility,
- autonomous management and independence from public authorities,
- use of most of the surpluses to pursue sustainable development objectives and services of interest to members or the general interest.

These SE characteristics recognize the social sector identity of those hybrid spaces associated with social business and social enterprise organizational structures that go beyond traditional public government, private business, and nonprofit charity or nonprofit philanthropy structures. These characteristics recognize the need for new creative spaces that best serve the social mission and that provide socially beneficial financial opportunities to members and society. SE companies are market producers, as they sell on the market at economically significant prices (i.e., cooperatives, mutual societies, holding companies, other similar companies, and NPIs serving them to be market producers). SE companies distribute profits or surpluses to their user members, but this is not proportional to the capital or to the fees that the members contribute. The SE enterprises distinguish themselves from business enterprises through the primacy of the social objective over capital and their adherence to the principles of solidarity, social cohesion, social responsibility, voluntary and open membership, democratic control by the membership, and independence (CEP-CMAF, 2007).

The SE enterprises follow four fundamental criteria that are expressions of the social values, social cohesion, and labor rights principles central to the European Union:

- *Proximity*: Thanks to their firm roots in the territory, SE enterprises take an active part in the development of less favored regions and meet the needs of local members and local population.
- *Solidarity*: Thanks to their shared social values, SE enterprises favor solidarity toward disadvantaged people and the promotion of employment. They provide easy and unhindered access to services essential to social and human existence.
- *Democracy*: Thanks to the principle of one person, one vote shared by SE enterprises, workers' participation in the decision-making process contributes to productivity and competitiveness increases, as well as to a greater level of security in employment.
- *Repartition*: Thanks to the alliance of social objectives and economic efficiency, SE enterprises differ from other forms of companies. They are groupings of people with a nonprofit priority goal built around the repartition of financial surplus to the individuals or a framed lucrativity. (CEP-CMAF, 2007)

There is clearly an overlap in the definitions of NPI and SE. They both claim to be part of the third sector (TS). However, the distinction emerges with these criteria:

- *The nonprofit criterion*: Under the NPI definition, all the organizations that distribute profits in any way to the people or organizations that founded them or that control or fund them are excluded from the TS (i.e., cooperatives and

mutual societies). Under the SE definition, this criterion is not essential to being included in the sector.

- *The democracy criterion:* Under the NPI definition, democratic participation is not essential for including an organization in the TS. However, the SE definition requires and would probably exclude NPIs that do not have a democratic system of governance such as most hospitals, universities, and cultural institutions.
- *The criterion of serving people:* Under the NPI definition, service to people is not a necessary primary objective. Nonprofit organizations can be set also for corporations that control or fund them. In the SE definition, the main aim of all the organizations is to serve people or other SE organizations.

Unlike the NPI definition, the SE definition promotes business initiatives and welcomes business solutions to solve societal problems beyond the charitable and philanthropic function in the TS. This difference is important and highlights the diverse typology of human dignity and equal relations between givers and receivers of social benefits. In other words, “the SE does not just see people in need as the passive beneficiaries of social philanthropy, it also raises citizens to the status of active protagonists of their own destiny” (Campos & Ávila, 2012, p. 37).

Bocconi University in Milan, Italy, is an academic institution that has integrated this teaching of NME through the SE perspective. Bocconi’s master’s in management of social, cooperative, and nonprofit organizations prepares students to manage cooperative and nonprofit enterprises. The program integrates business and managerial practices in the social mission of nonprofit and SE enterprises. The ethical elements are more than a course in management curricula. They are integrated throughout the program with a combination of management training and direct exposure to the work of nonprofit and cooperative organizations through field projects and internships. The program emphasizes practical experience by providing students with the opportunity to work closely with social enterprises through internships and project-based learning.

Implications and Recommendations

This more inclusive overview of international dimensions of the nonprofit sector has implications for NME and its standardization. The Nonprofit Academic Centers Council (NACC, 2015) has recently made important developments toward the inclusion of these new perspectives into its curricular guidelines. They are also well positioned to further affirm the identity of the third sector not only through exclusion (nonprofit and nongovernmental) but also through inclusion of social sector developments, particularly in its comparative global perspectives (§ 1.1–1.5: Comparative Global Perspectives) and the social enterprise/social innovation aspects (§ 12.1–12.9: Leadership, Management, Innovation, and Entrepreneurship). Established accrediting agencies such as the the Network of Schools of Public Policy, Affairs, and Administration (NASPAA) for MPA/MPP-type programs (public administration/public service) and the Association to Advance Collegiate Schools of Business (AACSB) and the Association of MBAs for MBA/MBM-type programs (business administration/

business management) have followed correlated criteria to determine their accreditation processes and standards.

The internationalization aspects of academic accreditations cannot simply be an expansion of American models. The inclusion of other schools and programs needs to be considered from the beginning of design of common standards. Both NASPAA and the AACSB rely on their mission-driven model of accreditation to guarantee the contextual relevance and diversity of practices, ultimately legitimizing their international outreach. It is important to remember that simply including non-American programs into an accreditation system does not necessarily make the standards internationally relevant. The accreditation mission-driven approach is not enough to ensure the achievement of sector-specific competencies (Guy & Stillman, 2016). In addition, the crystallization of standards of quality that include diversity from the beginning (i.e., faculty qualifications) may have unexpected consequences (Stepanovich, Mueller, & Benson, 2014). In other words, international expansions or international aspirations do not necessarily equate with internationally relevant competencies and an international-by-design quality. Other models of accreditation such as the European Quality Improvement System and the Council of International Schools have intentionally integrated international diversity and competency into their accreditation system.

NACC is positioned well to validate the nonprofit social and third sector specificities through a diversity inclusive and internationally relevant set of accreditation criteria by building on its existing standards in nonprofit curricula and indicators. Such a role in further advancing the legitimacy and specificity of NME cannot be fully articulated and advanced by accrediting agencies specialized in public sector or business sector education. Given the international-by-design considerations of this paper, I offer the following indicators to be considered in developing accreditation criteria:

- *Mission-driven criterion:* The nonprofit social sector is probably more diverse than other sectors. Such diversity is a rich perspective that needs to be preserved and recognized but also helped to ensure that the mission is delivered through a competent, efficient, and effective assurance of learning process.
- *Faculty qualification criterion:* The ratio of full-time versus part-time and academic qualifications versus professional qualifications of the faculty needs to be justified and aligned with the mission. Rather than determining a ratio, the accrediting body could build on conferences, partnerships, and other capacity development opportunities to enhance the integration of academic qualifications with professional competencies and capacity to teach.
- *Curricula internationalization criterion:* Although NME programs need to be context specific, they also need to integrate international perspectives into their curricula. Shared collections of international case studies could be an easier way to make such expansions into existing courses.
- *Public benefit criterion:* Beyond the nonprofit perspectives (NPIs), the public benefit criterion is important in emphasizing the social-good and common-good centrality of the nonprofit social sector. This can be instrumental to further defining and including the international diversity and typologies of government and nongovernmental relations.
- *Social economy criterion:* Beyond the charity and philanthropy perspectives, this criterion will be able to expand into other socially innovative solutions to

solve social problems. It would be helpful to include international examples of social enterprise organizational configurations and to define the typologies of profit and nonprofit relations further.

Conclusion

The nonprofit social sector has undergone significant changes over the last two decades. With the entrance of social enterprises and social innovation solutions and the participation of business and hybrid organizations in social causes, a shift in the taxonomy of nonprofit organizations is necessary. These emerging perspectives in social impact, social innovation, and social enterprises are already vivid in many communities in Europe, in numerous development contexts worldwide, and in socially and organizationally innovative contexts such as the San Francisco Bay Area (PR Newswire, 2016). The challenge for academic institutions and nonprofit programs is providing quality educational opportunities to competent social sector leaders and managers. The 21st century nonprofit transformations worldwide compel us to promote NME programs that can deliver the necessary competencies and demonstrate the essential capacities to help our students navigate and negotiate across sectors and to design, maintain, and sustain financially and socially innovative social sector solutions.

An international-by-design perspective in the development of inclusive criteria of standardization will be instrumental to ensuring that these academic programs are relevant to the sector and prepare the next generation of leaders. NME programs need to renew, reassess, and institutionalize their relevance to the contemporary social challenges regardless of the national classifications of the type of organization they ultimately join. It is important to recognize the evolution of the sector, while also providing a strong foundation and maintaining some of the sector's core competencies in the curricular guidelines. With the continued globalization of the sector, it is important that the curriculum encompasses the international changes that are occurring within the sector.

As Salamon indicates in recent European research (Salamon & Sokolowski, 2016), those in the nonprofit field need to go beyond the nonprofit traditional notions and reconceptualize the definition to include social enterprise and socially innovative organizational configurations relevant to today's global societal challenges. He suggests a third sector social economy (TSE) and recognizes the opportunity to expand this definition to further reaffirm the impact of the TSE in the global and national economies and how these services produce global benefit and social impact. Salamon condensed international diversity by redefining the core NPI characteristics into three basic characteristics:

- i. **Privateness** (i.e., forms of individual or collective action outside the governments' sphere and control);
- ii. **Public purpose** (i.e., serving the broader community and not primarily to generating profit or otherwise creating something of value primarily to the benefit of persons undertaking the activities or those persons' family members); and
- iii. **Free choice** (i.e., pursued without compulsion). (Salamon & Sokolowski, 2016, p. 1528).

As cooperative and mutual societies, social enterprises are indeed part of a social sector, but they also need to be further distinguished, as some considerably overlap with public and private entities and are not fully expressing a public and social benefit (this may be also said for some U.S. NPIs). Household level of social activities such as volunteering may be included in the new classification but also distinguished depending on the level of organization and social relevance. Therefore, the reclassification of NPIs needs to include these essential elements:

- i. **Organizations** - whether formal or informal;
- ii. **Private**;
- iii. **Self-governed**;
- iv. **Non-compulsory**; and
- v. **Totally or significantly limited from distributing any surplus** they pay to investors, members, or other stakeholders. (Salamon & Sokolowski, 2016, p. 1533)

Although this reclassification would need to be tested with Global South and Global North cases and applications in the complexity of organization, these developments are important and relevant to conversations on NME, international nonprofits, and nonprofit accreditation. The way we define and recognize NME in its international relevance, social transformations, and global values matters. Ultimately keywords such as *nonprofits*, *philanthropy*, *charity*, *volunteerism*, *NGOs*, *cooperatives*, and *social enterprises* will be relevant to including more classifications such as the social sector. The legal classifications, financial sustainability, and organizational strategies will only be secondary and contingent to their actual, intended, and demonstrated societal benefit.

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