Troubles with using ACNC data for separating the fortunes of development NGOs from other organisations.

Terence Wood – 28 2 20. (terence.wood@anu.edu.au)

This file accompanies a blog post on the Devpolicy blog (devpolicy.org). It’s not a complaint about the ACNC, who do an incredible job providing their data.

This note is simply written so that people can understand the assumptions and approaches I used in gathering data for a blog post comparing donations to Australian development NGOs with donations to Australian domestic civil society organisations (combined with religious organisations that do religious work overseas). It was a blog, not a PhD, so I had to use many assumptions. I strongly suggest you read the blog. The URL should be: https://devpolicy.org/ngo-donations-are-australians-turning-inwards

If you’ve read the blog and either want to reuse my data or make a lot of the findings you need to keep reading this document.

Although I faced challenges. My considered judgement is that the trends and patterns identified in the blog are largely real, although only approximations.

Datasets

I started working with a dataset that spanned 2015-17. This was all the data I thought were available. I belated learnt there were 2014 data as well. I added these to a separate, smaller dataset with fewer variables. Both datasets are online. Email me (terence.wood@anu.edu.au) if you have questions.

You can access the source data I used online here: https://data.gov.au/search?organisation=Australian%20Charities%20and%20Not-for-profits%20Commission

Distinguishing development issues from other issues

There are about 50,000 organisations covered in the ACNC CSO dataset every year. This means I couldn’t manually code data to make useful distinctions. Rather I had to operate off heuristics that I could fit into simple algorithms that did my coding for me.

As soon as I started doing this I ran into problems.

There’s no clear division, for example, in ACNC data between NGOs focused on development work and civil society organisations that either focus on working in Australia, or which focus on work overseas that has little to do with development (usually proselytizing). There are variables which look like they might capture this difference, but they don’t. Trust me. As a result, I defined development NGOs as organisations that were members of ACFID in 2016, or one of the five largest non-ACFID development NGOs in Australia (Amnesty International, Compassion, MSF, Rotary World Service, and Catholic Mission). I know this means I ended up coding some small NGOs as non-development when they were. But this was tolerable because the bulk of donations flow to large NGOs. Small organisations do not matter much for aggregate figures. My high-level figures won’t have been biased in a significant way. HOWEVER, YOU SHOULD NOT USE MY DATASET AS A COMPREHENSIVE LIST OF AUSTRALIA’S DEVELOPMENT NGOS.

There were also some NGOs that are ACFID members, and which do significant development work, but which get even more donations for their domestic work. I had no way of separating domestic donations from donations for international work. As a result, I coded these organisations as domestic. Luckily the organisations were few enough in number that coding them in this manner wasn’t a major issue.
Missing years’ data

Then there were organisations that were not included in every year in the ACNC dataset (which spans 2014-2017). This may have been because they were lapse in reporting, but it may have been for legitimate reasons: they only recently formed, for example. I coded a variable to capture organisations that reported all years covered in the datasets I created (there are two datasets on covers 3 years, the other covers 4 years). I based my analysis on trends for those organisations that did. The reason I did this is that I did not want changes in group composition to drive apparent trends. I believe this decision was sensible, but it means I could have missed trends associated with many new NGOs forming (either development or domestic organisations). In the spreadsheets I have placed online you can change filters to see the effects of this assumption. Generally, they were very small.

Volatile donations

Volumes of reported donations to some organisations fluctuated wildly too. This was often because of typos. At times fluctuations may have been legitimate. Even when they were though, I assume legitimate fluctuations were primarily the result of a few people donating a lot, which is of less interest to me than broader patterns of giving in the population. As a result, I created a variable that identified organisations with large fluctuations in donations so that I could exclude them from analysis. Large fluctuations were defined as organisations whose standard deviation of donations was greater than their mean donations. Once again, you can test the effect of including/excluding these organisations by changing the filter in the pivot tables in the Excel files. I excluded the organisations in my analysis in the blog. Generally, including them doesn’t change the main story.

NGO purpose

Also, I wanted to code NGOs’ purpose, so I could compare, for example, the fate of Australian Social Service NGOs with that of international development NGOs. Purpose is a field in which NGOs are meant to report this to the ACNC. Unfortunately, there are many purpose categories on paper, and even more in practice because of typos when people report. Also reporting is self-reporting and many interpretations can be found in the data, as well as judgement calls (is a religious school a religious organisation or a school, for example). Furthermore, many organisations don’t state their purpose.

To overcome the challenge of too many categories I came up with a simplified purpose schema, for legible charts, but could not overcome all of the challenges posed in doing this. It’s an approximation based in the first instance on how organisations defined their purpose. The exception to the rule of self-definition was for international development organisations: for ACFID members and the 5 big development NGOs who were automatically assigned to the purpose of “Development”. There were many other organisations that said their purpose was international work. Usually (but not always) these organisations did non-development work overseas. I coded them with the purpose of “International”.

Also, many organisations changed their nominal purpose over time. Usually this did not seem to be associated with an actual change in purpose, but rather people filling out forms differently in different years. I did not want composition effects driving trends within different simplified purpose groups. As a result, I tried to create a schema in which organisations were given the simplified purpose in all years based on the simplified purpose I coded them as having based on the purpose that they claimed to have in the most recent year. This was imperfect, but hopefully helps capture some real trends.