There exists no internationally accepted legal definition of NGO. The term NGO has come into use because of the activities of non-state organizations who work in development activities of the Third World and in the humanitarian and development work carried out in the countries of the former socialist world.

NGO’s are part of a broader concept of “civil society” which is generally seen as all those forms of social self organization which are “above the family” but “beneath the state”.

Civil society would include all forms of social network and groups, political parties, religious organizations, independent mass media, trade unions and all forms of voluntary organizations such as sports clubs, culture groups, pressure groups and foundations. Private business is also included in “civil society” since it is independent organization of people with the scope of profit. In actual usage, “civil society” programs tend to concentrate on the NGO sector. In development programs there are usually separate programs for media, trade unions, church or private business, so that “civil society” usually becomes the equivalent of NGO in practice.

One part of civil society, that of voluntary associations and foundations, is called the “non profit sector”. It is also called the “third sector” as distinct from state and market (first and second sectors). The “third sector” is used in the Western industrial Countries synonymously with terms like “non profit organizations (NPO’s), or “non profit distributing organizations” or “private voluntary organizations (OVO’s) voluntary organizations, or in England “Charities” or “trusts”. Americans tends to use the term “non-profit”, while Europeans and international organizations use te term ”non-government organizations”. All these words mean the same thing.

There is much research on classification of NGO’s. Generally they contain five characteristics:

1. Voluntary: people work without being forced; there is some voluntary element such as helping in an association or sitting on a board. People join an NGO of their own free will. A family is not an NGO because you are born into it. A trade union, where membership is required, may therefore not be an NGO in the sense of being voluntary. A state organization is not an NGO because it is created from the top down by administration.

2. Nonprofit: NGO’s have a purpose to help their members or the public rather than to make a profit. An organization which seeks to make a profit is simply a private business or firm.

There is some confusion about NGO and profit.

NGO’s may earn income by selling services or collecting fees from members, and this is a desirable thing since it makes them more independent of donors. But the income is used to help the NGO achieve its goals and not in the private property of members or directors. Like private firms, NGO’s have income, firms have profit. NGO’s have donors, firms have investors.

3. Independent: NGO’s and their members make their own decisions. They are not part of the state apparatus, and they are not simply a ”front” for a political party. NGO’s may receive money or grants from the state. In the West many of them receive 90% or even 100% of their funds from the state, but in formulating their policy they are independent (this is often called the ”arm’s length” principle, because the state grants money but cannot make decisions about how the NGO should conduct its policies).

By ”independent” is therefore meant independent in formulating goals and carrying out actions.

4. Nonparty political: NGO’s do not seek to take
State power; if they are seeking such power, then they are political parties. It occurs that some NGO’s have evolved into parties. NGO’s can certainly BE “political” if we mean that they try to influence political decision-makers. This can be done by public demonstrations, by campaign in the press, or by lobbying and making influence on parliament. NGO’s for environment or human rights are always trying to influence the political process; they are “advocacy” or “public policy” or “policy oriented”, but they are not party political.

5. Legal person: NGO’s are juridical entities with a formal character; they cannot or should not be simple informal groups. Being formalized registered gives them certain benefits, and certain responsibilities.

It is these five characteristics that usually distinguish an NGO from other types of civil society organizations. NGO’s are not coercive like the state, they are not profit making like a firm. They are in between, helping people meet their social needs by autonomous organization. A strong democratic society has many, strong NGO’s Societies with authoritarian tendencies tend to have few NGO’s or organizations strongly dominated by the state. Denmark with 5 million people has 30,000 NGO’s.

NGO’s also can show a dynamic: some NGO’s evolve into political parties; other NGO’s become so professional in providing services that they become private firms.

Types of NGO’s: Generally three categories of NGO’s exist

1. Associations: groups of people with a purpose. These may be either
   a) Mutual benefit associations where the target group are the members, own interests such as a teachers association, ethnic association, or chess players club;
   b) Public benefit association, where the target group is the public at large: this is very true of human rights, health or environment NGO’s who want to influence the entire public. Associations have members, a general assembly, a board, and perhaps a paid staff.

2. Foundations: property or money with a specific purpose. A foundation has no members. It has only a board, and perhaps a staff. The board members usually serve voluntarily.

3. Umbrella groups or federations: an association of associations. Umbrella groups have no individual persons as members, only other organizations.

Functions of NGO’s

1. Filling social needs: supplying services, which the state cannot supply, and which the market cannot meet. Mother Teresa for instance and many other NGO are who help people with special needs. Here the NGO’s is often cheap labor for the state. It provides a service, sometimes free, and other times by contract, but cheaper than the state or a private firm.

2. Awareness raising: influencing public opinion, drawing the public’s attention to a specific problem or need, such as violence in the family or environment; this is done through promotion, media, and other campaigns and public demonstrations.

3. Advocacy, lobbying: exerting pressure on government to act in a more proper way, to enforce laws, etc. “watchdog” functions.

NGO’s in Kosovo:
The Albanians in Kosovo had a developed civil society, which operated as alternative groups, and institutions. Mother Teresa, and parallel social groups, and health, culture and educational institutions showed a strong civil society character. They operated outside the state but also outside the market economy. Today these institutions are changing: some will become a part of the new government administration; others will become “marketized” and will have to survive in a new situation. This means a new place for formalized NGO’s and new social needs will emerge, which NGO’s can fulfill. One might say that while Kosovar civil society is very developed over the past years, the Kosovar NGO sector is still very immature. This means that we must view the Kosovar situation as unique; the presence of many international NGO’s working here in the postwar situation reinforce this uniqueness. The local Kosovar NGO’s (of all ethnic groups) must find their place in this system.