

## **Freeing the Citizen's Sector from Global Paradigms - and trying to get a grip on the moral high ground**

Globalization has meant western technological and cultural domination, and the imposition of western paradigms of many different kinds. In the technological field it has meant "electronic communication, declining transport costs, more flexible forms of economic organisation, and the growing importance of mobile assets (like finance and knowledge which have established an increasingly uniform horizon of production possibilities across national borders, integrating markets around the world, and internationalizing decisions about jobs and investment" 1. In the cultural field it has meant "the homogenizing of values and aspirations to Western norms of individualism and consumerism" 2

In the field of NGOs it has meant the export of Western models of what citizen's organisations should look like, and how they should behave. Paradoxically, although a great deal of the interest in citizen's organisations originally came from observing how citizens were dealing with the collapse of both the communist and the one party state in different parts of the world, the western model of what an NGO should look like soon became the dominant one, and this was modified by the aid machine which decided what it would like to promote with its money, and how it would like to promote it. Basically the aid machine has been looking for ways that it can unload money through organisations which can manage projects on its behalf, and they have fostered what is now the dominant model of "aid-dependent intermediaries that lack any democratic means of governance and accountability" 3

Both the supporters and the managers of citizens' organisations<sup>4</sup> have also been the recipients of heavy propaganda from the exponents of globalization to the effect that NGOs are yesterdays' organisations, with more effective development being implemented by market based systems and the free flow of capital. NGOs of all kinds have been told that foreign investment will do more to improve peoples lives than NGOs can ever do, and that they should re-think what it is that they have to offer. The conventional wisdom was that, if organisations wilfully persisted in being NGOs, then they should, at least, try to be as much like businesses as possible, contract with donors to carry out the donors' agenda, and become non-profit contractors to the aid industry.

All of this has distorted the indigenous growth of the citizen sector to become a truly third sector which is different from both the first (Government) and the second (Business). The aid machine has supported NGOs to take over some of the work of Governments in the social sectors, and it has supported them to behave like businesses in selling their services. By the support it has given indiscriminately to organisations which call themselves NGOs, it has blurred the distinctions between the Government, the Business and the Citizens' sector, and by doing so, threatened the unique contributions of the citizen's sector.

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1 see "globalization as fact" in "NGOs in a Global Future: Marrying Local Delivery to Worldwide Leverage" by Edwards, Hulme and Wallace - Conference Background Paper, Birmingham University Jan.'99

2 see "globalization as culture", *ibid*

3 *ibid*

4 I strongly prefer the usage of the Aga Khan Foundation ("citizens' sector" and "citizens' organisations") to "civil society" and "civil society organisations". Citizens is much clearer than "civil" and does not confuse the issue by suggesting that CSOs are all civil (i.e. civilized) in their work. For more on this see Richard Holloway "Not all organisations are civil - clarifying and mapping civil society" CIVICUS, Budapest 1997.

The particular contributions of the Citizens' Sector are:

- To hold the Government and Business sectors accountable to the citizens
- To enable citizens to associate together
- To improve the lives of the citizens, particularly those disadvantaged<sup>5</sup>

It has also distorted the ways that real citizens organisations carry out such work - which depends on local accountability, local governance, local support, and a wide popular mandate.

The result of this has been a substantial cynicism in the South about the NGO sector. One of the most serious overall problems for those interested in the future of the NGO sector is that the number of good NGOs is threatened by the large number of worrying organisations which call themselves "NGOs", but which use the term as a smokescreen for very different activities. While serious and committed NGOs certainly need to think how they can adapt themselves to the rapidly changing nature of the globalizing world they live in, a probably more serious problem is how to preserve the NGO sector as a group of morally and ethically responsible people in the face of so many who are using it for their own private and selfish ends.

Now is the time for members of the NGO sector to clarify their differences - what they are not, and make clear what they are. Their "rivals" for the betterment of the world, firstly the Government and then the free flow of capital, have been shown to be seriously flawed. What is needed now is to think not just what their individual NGO can do, but what can be done to preserve the values of the NGO sector - reflecting on what is being done in their name, and how this will influence their ability to do what they want to do in the future.

Citizens' organisations, in both the north and south, have, until relatively recently, been thought of as occupiers of the moral high ground, as organisations based on moral and worthwhile values - and this contrasted them with organisations based on profit or power from the business or political worlds. People expected Government and Business to be corrupt, to subsume greater national goals to personal advantages, but they had higher hopes of non-profit, non-government organisations which reflected citizens intentions of improving the world. Tribes, Unions, Cooperatives, CBOs, Churches - were seen as citizens organisations which were different and more admirable. NGOs were originally part of this (and some still are), but now NGOs are more immediately understood as the foreign funded folks who have the smart offices and good salaries.

While people inside the NGO world still think of themselves as occupying the moral high ground, the reality now is that few people in the South outside the NGO world think of NGOs like this. The word on the street in the South is that NGOs are charlatans racking up large salaries, many Pajeros, and many air-conditioned offices.

Sadly many NGOs have been tempted away from the moral high ground by the money that they have been offered, and by opportunistic people taking advantage of the lack of a clear understanding of what an NGO is - something particularly relevant to those countries coming out of a one party state with no NGO culture left. Now is the time to reflect on those who are corrupting

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<sup>5</sup> see "Ethics in Fund-raising" presentation by Richard Holloway to the East African Fund-raising Workshop, MACOSS and IFRG, Mauritius November 1998.

and misrepresenting the NGO culture<sup>6</sup>, and consider what can be done to keep NGOs somewhere near, if not on, the moral high ground, and to keep them a bit closer to a local reality, informed by the attitudes and opinions of their countrymen, and not by the more precious world of international donors.

The scope for the NGO sector to carry out useful work in the next five years will depend to a large extent on its ability to police its own sector and clean its own house. The pretenders and the charlatans are becoming so prevalent, that the honest and committed people will find that their potential support from their own people and foreign donors will be eroded unless they are able to reform the sector. The reform of the sector will have lessons for even the best, however, as bad practices will encourage debate about what good practices should replace them.

The recent crisis in the international markets have shown that a free market ideology operating in an environment of poor governance, corruption, and loose financial controls does not improve poor peoples lives, but, by contrast, seriously harms them. This turn around in the dominant paradigm gives NGOs a welcome break. No longer need they feel irrelevant in a "brave new world" of market forces. They have seen the markets work, and they have seen that they have not worked to the betterment of most people in the poor countries of the world. Free market ideologues are seen to be flawed, and NGOs no longer need feel so brow-beaten. NGOs can now stop trying to behave like businesses, and can concentrate on identifying what they do best, and refining the ways that they do it. They can also re-think who they are, and who they could be - apart from aid dependent contractors.

There are two problems for an NGO which is using this opportunity of the questioning of the dominant paradigm to question itself. The first is how it can engage with the aid machine to reform it when it is still so dependent on it, and so moulded by it: and the second is to work out what an NGO can be and should be when there have not been very many models or cultural traditions to follow. This is particularly true of countries that have recently emerged from one party rule or from a communist state.

In such countries for two or three generations the genus "NGO" as an independent expression of citizens' interests did not exist - all such ideas were subsumed within the state or the ruling party. Not surprisingly, therefore, there is no clear model for them of what an indigenous citizens' organisation might look like, and how it might be managed. Into this vacuum has come the western model, the globalization yardstick of the aid dependent locally unaccountable NGO. Since this what the aid machine was (and is) prepared to fund, it is not surprising that entrepreneurial individuals who have not been exposed to alternatives, accepted that this was how "NGOs" did business, and put themselves forward as "NGOs" to take on some of that business. Other models of citizen's organisations, like for instance, indigenous cultural organisations<sup>7</sup>, mass movements,<sup>8</sup> together with

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<sup>6</sup> For a typology of "NGO Pretenders" please see Chapter 1 of Alan Fowler's book "Striking a Balance", Earthscan, London 1997. This is expanded on in Richard Holloway's "NGOs - losing the Moral High Ground - corruption and misrepresentation" presented at the 8<sup>th</sup> International Anti-Corruption Conference, Lima, Peru Sept 97, and published in Transnational Associations 5/98.  
<sup>7</sup> Alan Fowler pointed out at an INTRAC meeting on civil society that, for instance, age sets amongst the Masai were by far the strongest citizens organisation, but that they had never attracted donor interest.

<sup>8</sup> a very interesting case study can be seen in Richard Holloway "Supporting Citizens Initiatives - Bangladesh NGOs and Society, IT Publications 1997. It covers the Peasant Front of the Communist Party of Bangladesh which wanted to turn into an NGO, and by doing so, split the organisation down the middle.

patterns of indigenous communication and philanthropy did not fit the globalization model and so languished without attention.

If we are unhappy with the aid dependent locally unaccountable NGO, what then is there to put in its place? What are the preferred models of the citizens in the South? A partial answer can come from Pact's experience in Africa. Pact, a US NGO specializing in building capacity of organisations of the citizens' sector, has attempted to go back to first principles and ask Southern NGOs to clarify what they think are the ideal characteristics of citizens organisations that have as their purpose the three points made earlier:

- Holding government and business accountable to the citizens
- Enabling citizens to associate freely
- Improving the lives of citizens (particularly the disadvantaged)

The tool that they have developed for this purpose is called OCA (Organizational Capacity Assessment)<sup>8</sup>. It tries to elicit citizens' ideas of "healthy" organisations, develop indicators for each of the components of such a healthy organisation, and then to allow citizens' organisations to score themselves against such indicators. The scores allow for facilitated diagnosis and interpretation of their strengths and weaknesses which can then lead to Organisational Development (OD) interventions to build on strengths and work on weaknesses. OCA was developed in Ethiopia, and has mostly evolved in Africa where local versions of it have been developed in Angola, Madagascar, Zimbabwe, Zambia, Botswana, and South Africa.

Attempts to clarify what citizens' organisations should be and should do have dramatically highlighted the differences between the ideal and the common practice of NGOs. If we look at the components of an ideal NGO as defined by existing African NGOs which have gone through the OCA experience, and look at the gap between this and current practice, we can get an idea of the ways that NGOs could re-invent themselves, and could argue for the specific support from the aid machine to enable them to do this - in the cases where support from the aid machine is necessary.<sup>9</sup>The OCA usually identifies the following components of a "healthy" citizens organisation:

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|---------------------|-------------------------|
| 1. Governance       | 2. Management Practices |
| 3. Human Resources  | 4. Financial Management |
| 5. Service Delivery | 6. External Relations   |
| 7. Sustainability   |                         |

Many of the aspects of organisational capacity deal simply with organisational management and such uncontroversial areas as the need for planning, accounting, personnel management, and skills development. But certain components are significant for the gaps that they illustrate between ideals and current practice - and these are pointers for how NGOs might better develop into the future. The components that I would like to focus on are sub-sets of these main components:

Governance - particularly Identity, Boards, Vision, and Constituency

Service Delivery - particularly constituency ownership and impact assessment

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<sup>8</sup> for information in this fast developing field, please contact Evan Bloom of Pact (ebloom@pacthq.org)

<sup>9</sup> The International Forum for Capacity Building of Southern NGOs formed in May 97 in Brussels was an example of Southern NGOs saying that what they were getting from Northern Donors and NGOs was not what they wanted. The papers from this meeting have still not been published and disseminated.

External Relations - particularly Constituency relations, Inter-NGO collaborations, Public Relations, Local Resources and The Media  
Sustainability - particularly Project/Program Benefit Sustainability, Financial Sustainability and Resource Base Sustainability

## **Identity**

A lot of citizens' organisations have not got it clear in their own minds whether they are, and should be, citizens' organisations or intermediary organisations. They are still undecided about whether they should be organisations of people who collectively are trying to help themselves, or organisations which have identified others who need help and are prepared to seek others assistance to help them. In their rhetoric many speak as if they are citizen's organisations working on problems identified by the citizens, and with citizens mandates to act on their behalf - but this all falls apart when you look to see how their governance is set up and what measures they do or do not take to listen to the citizen's opinions.

The fact that so many organisations claim to be operating on behalf of citizens suggests that this is an ideal which they would like to reach, but have not worked out what it means in practice. For NGOs operating on issues of structural adjustment and its effect on poor people, on land ownership, on AIDS, on debt relief - these are all topics that affect the whole country, and topics where NGOs with a national mandate could have a powerful impact, but the more common situation is a narrow band of elite activists arguing, sometimes powerfully, for a position that they believe, but which lacks a popular mandate. NGOs have rarely spent the time in public awareness building which might result in such a popular mandate, and have not given priority to this.

At a more local level NGOs and CBOs are confused. A CBO, being an organisation of disadvantaged people, legitimately seeks assistance for itself, and for its members, including its management. An NGO is not an organisation of disadvantaged people, but has been set up to help such identified people, and does not seek assistance for itself, but for the people who it has identified. Many small NGOs do not understand this difference, and seek assistance for themselves, only a part of which moves onto help the identified disadvantaged.

## **Boards and Constituency**

The ideal that is commonly recognized is that a citizens' organisation should not be governed by paid staff who have a personal interest in where the organisation is going which may conflict with the best interests of the organisation. The ideal is for there to be some sort of panel of elders or advisers who will think disinterestedly about the future of the organisation. The ideal is also that this panel of elders should be from people of probity and respect and include some of the people who are the constituency of the organisation. The reality in most NGOs is that Boards are a legal imposition which NGOs try to get round by appointing names or colleagues who are most noteworthy for rubber stamping decisions of the Executive Director and causing little trouble<sup>10</sup>.

Huge opportunities are missed for NGOs to use the Board structure to integrate their organisation into their own society - through including people from business, government, youth, or minorities and to inform their organisation with the views of the people that they are trying to help - through including constituency members<sup>11</sup>.

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<sup>10</sup> for more on this see Rajesh Tandon's "Board Games", PRIA, India. 1995

<sup>11</sup> The Grameen Bank is so organised that every client becomes a member of the organisation with voting rights for certain Board members who are chosen from the clientele i.e. poor, often poorly

## **Constituency Ownership and Constituency Relations**

The ideal is that NGOs should consistently and in a structured way involve their constituency in the planning, implementation, monitoring, and evaluation of their programs. They do this because they think that the experience and skills of such people will make the NGOs program more effective and more specific to the problems being faced. The reality is that NGOs frequently operate in a top down manner telling their target group what they are going to do to them, once the NGO has made such a decision.

Even those who practice PRA/PLA which is based on valuing grass roots peoples contributions, have frequently found themselves trying to steer the conversations towards the particular subject for which the NGO has donor funds to spend, rather than listening openly to the concerns of the villagers. NGO people know what they should do - a clear example is in, for instance the Training for Transformation handbooks that have been used by the Catholic Church all over Africa - but they find that the funds which they have been offered on the basis of the donors assessments of what they want to spend their money on have more weight than grass roots peoples opinions.

## **Inter-NGO Collaborations**

It is clear to many NGOs that the ideal is to collaborate with other NGOs, particularly for advocacy campaigns where the different strengths and different experiences of a range of NGOs can build a synergy that is better than what any can do alone. It is also clear that the NGO sector can defend itself against attack, particularly from Government, if it is united. The reality, however, is so often that collaboration breaks down because of an NGO's desire to defend the confidentiality of its relations with its donor. Allowing another NGO in means the possibility that it will learn your secrets, and supplant you in the donors embrace. Another reason for the breakdown of collaborative work is the rivalry that seems in so many cases to be the hall-mark of modern NGOs. So often NGOs bemoan the fact that things do not need to be like that, but so often are.

## **Public Relations and the Media**

Few NGOs devote resources to educating the public about what needs to be done, or about what the NGO actually does. The conversations are usually between the NGO and the external donor which is where the money comes from, and there is no great priority given to local development education. But if an NGO wants to have a popular mandate for the work that it intends to do, it needs to spend considerable time impressing the people with whom it works, and the people who form public opinion about the value of its ideas. And such work has to be done by people who speak the peoples language, not the literal or figurative language of donors.<sup>12</sup> If it does not do that an NGO can easily degenerate into an increasingly shrill group of people who are arguing for their pet hobby horse, rather than working on an important topic that has a considerable consensus.

Even when the cause seems self-evidently important, it may well be that there are important opponents who are unclear about the NGO's position, and why they are working as they are -

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educated women. Dr Yunus claims great value in the opinions such Board members give to the managers of the Grameen Bank

<sup>12</sup> The author does a considerable amount of resource mobilisation training. A standard part of this is to ask the NGO to write an information and fund-raising brochure for itself. This is nearly always done in English. He then asks the NGO to translate it into a local language. Great frustration results - and serious learning as NGOs realize that the language they use is geared to external donors. How many NGOs do you know with local language names?

particularly traditionalists in such fields as female genital mutilation, or property grabbing following husbands intestate deaths. The NGO needs the comfort of mass support for its work in order to counter-attack such people, and is very vulnerable without it. Part of the way in which NGOs will get such mass support is by consistently informing the public about the results of particular practices or particular mal-development.

### **Local Resources/Financial Sustainability/Resource Base Sustainability**

All NGOs bemoan the fact that they are so heavily dependent on the aid machine, and look to an ideal in which they are financially self-reliant, or at least considerably less vulnerable to donor decisions about their funding. Those who have been on resource mobilisation training courses learn about raising funds from the public, the government, the business sector, or creating income for themselves - but very few take the next step of radically re-structuring their organisation to seek alternatives to external funding. And radical it is - it requires a very definite strategic re-organisation of the organisation to spend time and resources on educating a very different public, raising funds from it, and reporting to it on how the money was spent.<sup>13</sup>

NGOs have been so involved for so long in the business of persuading external donors to give them money, that they need considerable re-training, if not mental re-programming to consider how they could raise funds locally. And yet, time and time again work with OCA shows us that this is the ideal that the NGO wants.

Apart from the regular ways of raising money locally, there is a great need for the more entrepreneurial NGOs to think how existing money can be tapped for their development work. In even the poorest countries considerable money is spent on ceremonies and religion. A lot of lobbying is needed to persuade people that such funds could be spent on literacy or land reform, but few NGOs even enter the debate.<sup>14</sup>

A further area for new work is to persuade more rich people, particularly businesses to start small foundations or endowed grant making operations which will reflect well on their philanthropic behaviour, and position themselves well in society.

A lot of work has to be done, not just to try and attract more and local funds to NGOs, but to develop varieties of philanthropic practice from which NGOs can benefit. Not many NGOs are, however, thinking along these lines.

### **Summing Up**

The collapse of the market economy in Thailand and Indonesia showed NGOs that the free market model, and their attempts to bend themselves to fit it, had serious flaws. They no longer need to pretend to be what they are not. Instead they need to be clear what they want to be, and many of them on the giving and receiving ends of the aid chain are dissatisfied with that they are. Aid dependent unaccountable contractors is not the peak of the identity of citizens organisations. Many NGOs are aware of this and want to do something about it, but are so stuck in long established patterns of behaviour and thinking that it is difficult to break out. One of the most useful things that

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<sup>13</sup> There are very few organisations offering to train in resource mobilisation, and even fewer who can mount consultants to work with NGOs on this. The International Fund-raising Group out of London is one, and CIVICUS and the Aga Khan Foundation are coming on stream soon.

<sup>14</sup> For more on this, please see "The Unit of Development is the Organisation, not the Project" by Richard Holloway, JHU/SAIS, Washington DC. 1997

northern donors and northern NGOs can do is work with southern NGOs to hear what they would like to be, and help them to move in that direction. This is capacity building, but rather different from how that hackneyed phrase is usually understood.<sup>15</sup>

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<sup>15</sup> The author was commissioned to research the behaviour of Northern Donors (Bilateral, Multilateral, and Foundation) in connection with the birth of the International Forum for Capacity building of Southern NGOs. It was clear that Foundations knew what Southern NGOs were interested in, while Bilaterals and Multilaterals were way behind.