THE IMPACT OF THE STATE AND THE DONORS ON SECOND GENERATION NGOs: A STUDY ON THE CONFLICT OF INTERESTS BETWEEN THE STATE, THE NGOs AND THE DONORS IN THE CIVIL SOCIETY.

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DEDICATION

This work is dedicated to my sister, Elizabeth Nankhoma, the first born of my family in Malawi who died in 1978 while I was in standard 3. Like so many poor Africans she died while she was young at the age of 21. She left us a four year old daughter, Theresa, who is still alive and remains as a consolation to the remaining family.

DECLARATION

This paper is my original work. I have compiled it without any assistance. It has not been submitted to any other university for assessment or any other purpose. I therefore submit it for the first time in the School of Theology at the University of Natal, Pietermaritzburg as a partial requirement for the Master of Arts Degree in Leadership and Development.

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ABSTRACT

This study seeks to investigate the impact of the state and the donors on Second Generation NGOs. The study argues that the state and the donors have an impact on Second Generation NGOs which tend to change the basic intentions of the latter. If the state is supportive of democratic social reform, it may have a positive impact on the civil society. If it is against democratic reform, it may have a negative impact on the civil society. As the NGO sector is part of the civil society, its behaviour can be influenced by the way the state relates to the civil society.

Donors influence the behaviour of the NGOs through the conditions which they impose when they provide their funds. This study argues that such conditions have, to a large extent, a negative impact on the behaviour of the NGOs, though in some cases they are necessary due to the need to control the opportunistic behaviour of NGO officials.

The study concludes that the state, the NGOs and the donors must work together as mutual partners whose main intention is to develop and enhance the welfare of grassroots people. The partnership must include the grassroots people because true development is participatory.

The meaningfulness of such partnership is grounded in Christian ethical values of community life.

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LIST OF ABBREVIATIONS

ANC: African National Congress

CACP: Commission of Agriculture Costs and Prices

CBO: Community based organisations

CEC: Commission of European Communities

COSATU: The Congress of South African Trade Unions

CSO: Civil society organisations

EC: European Community

FAO: Food and Agriculture Organisation

GNP: Gross national product

GNU: Government of national unity

GROs: Grassroots organisations

IBD: International Bank of Reconstruction and Development

IDCI: International development cooperation institutions

ILO: International Labour Organisation

NGDO: Non-governmental development organisations

NGGRDOs: Non-governmental grassroots development
            organisations

NGOs: Non-governmental organisations

ODA: Overseas Development Administration

PACSA: Pietermaritzburg Agency for Christian Social Awareness

PIMS: Parliamentary Information and Monitoring Service

SACC: South African Council of Churches

SGNGOs: Second generation non-governmental organisations

SUTRA: Society for Social Uplift Through Rural Action

VOs: Voluntary organisations

WCED: World Commission on Environment and Development

CHAPTER ONE

1. INTRODUCTION

1.1. Introduction

The theme of this dissertation is: The impact of the state and the donors on Second Generation NGOs: a study on the conflict of interests between the state, the NGOs and the donors in the civil society. The purpose of this study is to find ways and means in which the state, Second Generation NGOs (which are also called Non-governmental Grassroots Development Organisations) and their donors can build partnerships which contribute to the effectiveness of the development and welfare work of Second Generation NGOs with grassroots people. The motive of the dissertation is to express my personal compassion for the poor at grassroots level. The study will be done with special reference to Christian ethical values.

1.2. What are Second Generation NGOs?

The term Second Generation NGOs has been borrowed from Korten (1987: 148-120 & 1990: 119-120). In this dissertation, we will abbreviate this term as SGNGOs.

Korten (1987: 148 & 1990: 120) describes Second Generation NGOs as being mainly concerned with developing the capacities of the people to depend on themselves. Thus these organisations call their work Community Development and the communities are mainly in the form of villages or village subgroups such as the youth or women of the Southern Countries (or Third World Countries). For example, in the paper he presented at the Western Cape Seminar on "Managing NGOs" on November 25 1993 Eric Moloi points out,

> The organisations most often direct their activities to a wide range of oppressed groups. Some organisations are set up to organise around issues of concern for particular age, sex, or economic groups, such as women, youth, students or workers (1993: 2).

Such groups or subgroups can also be termed grassroots organisations (GROs) (Padron 1987: 69). These people bring their contributions to the NGOs both in terms of decision making processes and implementation of the programmes of the NGOs.

To the extent that these NGOs are mainly concerned with development, they can also be understood as falling under the group of non-governmental development organisations (NGDO) (Fowler 1997: xi; Padron 1987: 69-76). NGDOs can either be international or act as intermediaries between the international NGDOs and the grassroots people.

Our concern in this study does not include those NGDOs which operate as international organisations. We will confine our focus to the NGDOs/SGNGOs which operate at grassroots level as intermediaries to the grassroots people or organisations (GROs). For that reason the term non-governmental development organisations (NGDOs) will be modified to non-governmental grass roots development organisations (NGGRDO).

The study will consider grassroots people as part of these organisations. The reason for doing so is twofold: first, considering the ideals of participatory development, it follows that whenever these organisations are affected in any way, the grassroots people are also immediately affected; second, this will be done because the intention of this study is to find ways and means in which the initiatives of developing and enhancing the welfare of grassroots people can be effective.

The basic theory of the SGNGOs is that people at the local level are suffering because of local inertia, isolation, lack of education, lack of proper health care, lack of skills and physical strength. These might be influenced by the tradition of the people. There is then a need for an outside intervention to help the community members realise their potential. Second Generation Organisations may then engage in educating the local people, organising them to work together, raising the consciousness to realise the forces which may impede their development, providing loans, introducing of simple new technologies (Korten 1990:119).

SGNGOs may start as First Generation which focus only on relief and welfare activities such as improving agriculture, digging wells, providing food and non-food items and building feeder roads. But with time they may realise that their capacities to go on helping the people are becoming exhausted and may turn to strategies directed to helping people to realise their potential and be able to use that potential to improve their own lives. In that way SGNGOs will also aspire to help the communities to be self-reliant even after the NGO has stopped its operations among them. Hence the SGNGOs would claim that their coming to the communities is just an intervention for empowering the people for sustainable development (Korten 1987: 148; 1990: 119).

The financial capacities of the SGNGOs are derived from donations from government, northern hemisphere NGOs called international development cooperation institutions (IDCIs) and individuals of

goodwill who share the same concerns with the Southern SGNGOs. Assistance from the IDCIs and governments does not only include money, but also material aid and personnel (Korten 1990: 119; Padron 1987: 69). By and large, the impact of the donors on SGNGOs is based on the financial relationships which exist between the two sectors with the intentions of enhancing the work of the SGNGOs on the ground. The impact of governments and SGNGOs is not only based on the financial relationships which exist between them. Rather, such impact may sometimes be influenced by the political concerns of the state.

Thus in this study, while the concern on the impact of the donors will focus on the conditions attached to their donations, the impact of the state will focus on the conflicts resulting from the political concerns of the state.

In addition to the problems coming from the behaviour of the local politicians, SGNGOs are realising that problems which lead to lack of development, may come from beyond the borders of the local villages. They may come from systems and structures both at a national and international level. Thus SGNGOs are attempting to engage in leverage activities which take two directions: informing the world about the development problems of the local people and the world forces which lead to such problems, and informing the local people about the world problems which lead to their lack of development and mobilising them to challenge those forces through their local leaders.

When a SGNGO engages in such activities, it may be possible that it is becoming a Third Generation NGO. Third Generation NGOs are those whose "strategies look beyond the individual community and seek changes in the specific policies and institutions at local, national and global level" (Korten 1990: 120).

At this juncture, it is important to note that the terms Second Generation NGOs (SGNGOs) or Non-governmental Grassroots Development Organisations (NGGRDOs) will generally not be used

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in this paper. Rather, consistent use of the term "NGO" will be made because most of the issues which will be discussed do not only concern the Second Generations NGOs, but NGOs in general.

1.3. Limitations of the term "NGOs"

Some authors have replaced the term non-governmental organisations (NGOs) with other terms such as "Voluntary Organisations" (VOs) or "Civil Society Organisations" or "Community Based Organisations" (CBOs). This is because, while the distinction between these terms is critically analyzed by authors such as Korten (1990), most of the authors dealt with in this study do not give special attention to these distinctions. They deal with the NGO sector as a homogeneous one. We shall not discuss this problem further. Our interest is concentrated on points which are applicable to the organisations which Korten (1990) rates as Second Generation NGOs (SGNGOs) or alternatively, the non-governmental grassroots development organisations (NGGRDOs).

The definition of the term NGO is cluttered with conceptual problems because the term signifies only what these organisations are not. The word non-governmental in general simply means an organisation which is not administered by a government. Thus looking at the term in its widest sense, it can accommodate all kinds of organisations including clubs, work teams, associations, co-operatives, charities and campaigning groups (Thomas 1992: 118).

The aim of this study is not to look at the term NGO in such unlimited sense. Rather, even where a general point is made the emphasis of the study will remain on Second Generation NGOs.

1.4. Reason for choosing Second Generation NGOs

I chose Second Generation NGOs for two reasons. First, they suit my intention to work directly with grassroots people in the future. Second, this group of NGOs gives me a chance to understand the way NGOs directly deal with both grassroots people and the higher main stakeholders - in this case, the state and the donors.

1.5. The problem

In theory, it is known that both NGOs and the state are concerned with developing and improving the well-being of poor people. But experience has indicated that in many cases the state and the NGOs, are in conflict.

While the NGOs believe that they have the right to empower grassroots people, the state officials may feel that the NGOs are occupying their territory. For example, the state may suspect that the NGOs influence the grassroots people to be against it. Arrossi et al (1994) comments:

> The fact that most NGOs are both involved with public interest issues and concerns, but independent from the government and the state institutions, establishes an immediate tension in much of their work. The relationship between NGOs and government is often in tension because, in choosing to work on 'public-interest issues, NGOs often try to work within the same arena as government... NGOs may be suspected (by the state) of having a monopoly on the public arena and public interest issues (1994: 42).

Despite this fact, there are situations in which the NGOs may work collaboratively with the state. Kjaerum (1992: 17), points out that though such collaborations are sometimes genuine, they are, more often than not, influenced by the state's intention to stop the NGO's advocacy and empowerment of the grassroots people to challenge the state to change its policy.

The same is the case with the relationships between the NGOs and their donors. The main interest of donors is to see that the

resources they make available to their client NGOs are properly utilised. Thus donors give their donations to the NGOs with conditions of how they want the donations to be used.

Such conditions have been indicative of top-down power dynamics which have been counterproductive in terms of the effectiveness of the work of the Second Generation NGOs. For examples, donors give their client Second Generation NGOs conditions which do not correspond with the technological needs of the grassroots people they are supporting.

Thus Second Generation NGOs find themselves in a dilemma between two clashing demands. On one side there are concrete demands from the local situations; on the other, there are demands from the donors. If the organisations follow the demands from the local people, they may not receive funds for their work. If they follow the conditions of their donors their efforts may be rendered ineffective, since they are not responding to the real situations. Thus the autonomy of the local voluntary organisations is challenged. Du Toit (1997) says:

> In the interim, the tension between the necessity to
> move away from donor dependence (and therefore to
> compete aggressively in the development arena), and
> the commitment to careful, integrated process (which
> facilitates community participation in development
> projects), will continue to plague the effective
> operation of NGOs (voluntary organisations) (1997:
> 611).

The question then arises: Can the state, the Second Generation NGOs and their donors functionally organise their different roles, interests, approaches and structures in a way that can enable them to work as mutual partners?

This study assumes that such a partnership can be instrumental for an effective development and welfare work of Second Generation NGOs with grassroots people. The ultimate goal of this dissertation is to investigate how that partnership can be brought about. It is hoped that by investigating the impact of

the state and the donors on Second Generation NGOs, genuine problems in these relationships will be discovered. Such a discovery will reveal ethical deficiencies found in these relationships. On this basis we shall propose ethical values which could structure relationships between the state, NGOs and their donors so that they become instrumental for the development and welfare of the grassroots people.

1.6. Basic assumptions

This study assumes that if the state, the NGOs and their donors collaborate, the effectiveness of the work of the Second Generations NGOs on the grassroots people can be improved.

The second assumption for the study is that the conflicts between the state, the NGOs and their donors can be resolved through imbuing Christian ethics in the partnership of these sectors.

1.7. Methodology

This study is mainly based on a literature review. I have used the books and journals from my local library and other documents which I collected from some of the NGOs around Pietermaritzburg. I have also used knowledge which I have gathered in my informal discussions with some people who work with NGOs or have some knowledge about NGOs.

So this study builds on what other people have studied before. "Today's studies build on those of yesterday" (Neuman 1994: 80).

This study has committed itself to such a task by seeking to integrate the politics of development with Christian Ethics. Thus the literature which I have reviewed has helped me to synthesize my ideas and convictions, and above all, strengthened my confidence in those ideas and convictions.

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1.8. Origin of the study

Sproull generally talks of research problems as emanating from "recognising an existing problem; desire to improve the status quo; plan for the future and curiosity about some phenomenon" (1995: 23).

This study originates from discovering the existence of the problem of a negative impact of the state and the donors on NGOs during my class discussions in Leadership and Development at the School of Theology at the University of Natal in Pietermaritzburg. My curiosity on the problem encouraged me to engage in a study which will seek to understand the problem deeply and propose ways and means through which it can be minimised.

Thus the study can be seen as originating from all four types of sources as observed by Sproull above. My discovery of the problem in class brought curiosity which in turn sought plans for the future in the form of changing the status quo through Christian Ethics.

1.9. Difficulties in defining the problem

After discovering the problem of the impact of the state and donors on the NGOs I encountered difficulties in defining my real focus. Moustakas says "Focusing is an inner attention, a staying with, a sustained process of systematically contacting the more central meaning of an experience" (1990: 1). Realising that inner attention needs to be sustained all the time, I found myself wondering whether my approach based on the impact of *both the state and the donors on NGOs* was going to provide a well-defined focus. I was concerned whether the connection between the impact of the state and that of the donors would have dimensions which would not be easy to explain.

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Nonetheless, I realised that, if I focused only on one of the two variables (the impact of the state or that of the donors), there would be a danger that either my readers or I would make conclusions indicating that if the NGOs find the state unfriendly they must turn to the support of their donors alone and/or viceversa.

It is important, therefore, to deal with both impacts and engage in a comparative analysis concerning their ethical deficiencies.

While such comparative study remained a focus of the study, it was also discovered in the process that the three sectors (the state, the donors and the NGOs) can engage in multilateral collaboration. That discovery provided a direction for developing common ethical and practical directives to be observed by all the three partners. So, while the separation between the impact of the state and that of the donors is visible in chapters 3 and 4, from chapter 5 to the end ideas presented have tended to look at the state, the NGOs and their donors as three sectors which meet in the civil society as partners and adhere to the same values, tasks, concerns and convictions.

Thus in this study the term "partnership" has both multilateral and bilateral connotations. The partners in question can either be the state and the NGOs or the donors and the NGOs (bilateral partnership) or all three sectors can work together as a team (multilateral partnership).

1.10. Description of chapters

This study is divided into six chapters. After the introduction in 1, chapter 2 commits itself to the exploration of the goals of the Second Generation NGOs. Practical concepts which denote such goals and their meanings will be examined in detail. This will be done with the intention of understanding the SGNGOs in terms of their work with grassroots people.

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Chapter 3 has attempted to bring forward the nature of and general trends in the impact of the state on NGOs. Here the study has looked at issues of law, policy, random political behaviour of the state and fundraising restrictions which the state imposes on NGOs. Specific countries have been mentioned as examples related to the state behaviour dealt with at each stage. The South African Apartheid regime and India have been used as main case studies.

In chapter 4, we have directed our concern to the impact of the donors on their client NGOs. Here we have engaged in a great deal of critical reflection on the conditions which donors impose on the NGOs. We have tried to look at their nature, their effect on the work of NGOs and reasons why the donors impose such conditions.

A comparative study of the similarities and differences between the impact of the state and that of the donors on NGOs has been our focus in chapter 5. We have engaged in a critical analysis of these two impacts and drawn conclusions concerning their similarities and differences in terms of ethical deficiencies. The ethical deficiencies have not only been reflected with reference to the state and the donors, but also to the NGOs and occasionally with reference to the grassroots people themselves, because NGOs take part in contributing to the bringing about of the problems highlighted in chapter 3 and 4.

The ethical deficiencies discovered in chapter 5 have been reflected upon in terms of Christian ethical values in chapter 6. Here the study has attempted to indicate how Christian ethical values can be helpful in restoring or bringing about the missing ethical values discovered in chapter 5. This has included practical means through which such ethical values can be engendered so as to bring about effectiveness and mutual partnership between the state, the NGOs in collaboration with the grassroots people and the donors for the responsibility of developing and changing the welfare of the grassroots people.

Our conclusion focuses on summarising the important points made in the study with the intention of recapitulating the crucial contentions of this study.

CHAPTER TWO

2. GOALS AND MOTIVES OF SECOND GENERATION NON-GOVERNMENTAL ORGANISATIONS

2.1. Introduction

As we have seen above, Second Generation NGOs are by and large concerned with the development of the capacity of grassroots people to depend on themselves. But, as it will be observed in this chapter, these organisations can sometimes also take up relief activities to help their clients during a time of crisis. This, in general, explains the direction of the goals of Second Generation NGOs.

In this chapter, our concern is to investigate what the development activities of these organisations and their goals mean in practice. This will be followed by a brief analysis of the type of relief activities which these NGOs may be involved in during times of crisis. Concepts which these organisations use as theoretical guidelines for their work will be examined carefully. As we have already indicated in chapter one, the term Second Generation NGOs will not be used consistently. Instead it will be replaced by its synonym NGO and only be used where strict necessity arises.

2.2. Development activities as the main goal

This chapter will attempt to answer the question: What does development, as practised by Second Generation NGOs, mean? But first let us make a short clarification of the term "development" itself.

In its classic implications the term "development" has been used

as though it "were synonymous with economic development or growth" (Jones 1990: 3). Great emphasis has been laid on economic growth in term of gross national product (GNP) - leaving behind other issues attached to the socio-political and economic well-being of people in the society. Thus issues such as poverty, health and hygiene, education, housing and family welfare which signify the concrete economic life of people on the ground have been neglected.

The Independent Commission on International Development Issues in the 1980 Brandt report called for financial and economic relations which foster growth in the developing countries. This move signified the need to consider development, not only in terms of gross national product (GNP), but also with respect to issues of poverty.

Thus instead of talking about "development" in terms of gross national product (GNP), NGOs talk about "grassroots development". The term "grassroots development" is now widely used in development issues.

2.2.1. Grassroots development

The underlying point in the term "grassroots development" is that the type of people which NGOs target when they talk about development, are the poorest people in local communities. Thus these people are called "grassroots people". Throughout his book entitled "Striking a balance: a guide to enhancing the effectiveness of non-governmental organisations in the international development", Alan Fowler (1997) calls these people "the primary beneficiaries of the organisation". Harper (1996) uses a more general term, "clients" of the organisation.

"Grassroots development" means "direct improvements in living standards by groups of the poorest people in local communities" (Thomas 1992: 118). In grassroots development NGOs engage in

projects and programmes which they plan collaboratively with the local communities.

NGOs are then seen as best suited for developing the living standard of grassroots people. Thus grassroots people are the primary beneficiaries or the clients of these organisations.

2.2.2. Holistic empowerment

One of the main emphases of NGOs in development activities is on "strengthening the people's capacity to determine their own values and priorities and to organise themselves to act" on those capacities and priorities (Oxfam 1995: 9).

According to Oxfam, NGOs must help their primary beneficiaries to develop themselves holistically, thus helping them to develop themselves with consideration to factors pertaining to ideology, material well-being, culture, gender, age, social economic status, race, ethnic group, political beliefs and affiliations, historical background - "all factors which form our identity as social beings" (1995: 10). To do this, NGOs engage in activities which they term "empowerment". Empowerment means

> increasing the power and control of intended beneficiaries over the circumstances of their own lives, so that they are in a position to become their own development agents in the future. (Thomas 1992: 118)

For this purpose the potential of the grassroots people must be used - first individually, then collectively.

> Much of the empowerment work promoted by NGOs is founded on the belief that individual or localised development activities can translate into collective public action. (Oxfam 1995: 12)

In theological terms empowerment is understood by Nürnberger in relation to Christ's redeeming power. In Nürnberger's view, empowerment is about "actualising the potential" which can only

take place when the church is helping the people to utilise their Christian ethics and responsibility, based on following Christ as the redeemer, in their ordinary life: at home, at work, everywhere "in the multiplicity of the (members') secular engagements" (1994: 49-50).

The concept of empowerment then comes up in the development debate, not only for the practical reasons of helping the people to be self-reliant; but it is also grounded in ethical convictions based on the Christian faith.

2.2.3. Community participation

Harper maintains that in community development,

> The best policy for an outside change agent is often to float ideas and then leave people to do what they want to do. Too much follow-up can be worse than too little (1996: 86).

Here the basic concept is what Nürnberger calls participatory democracy. He defines the term "participatory democracy" as "a system in which people participate in the actual decision making-processes which affect their lives" (1998: 270). Here, the power to make decisions is decentralised.

In development activities the term is expanded to mean, not only participation in decision-making processes, but also in the actual activities which affect the people's lives.

This means that the NGOs are development facilitators.
For NGOs "the goal of enabling the poor to take control of decision-making processes (and activities) which affect their lives is paramount." (Drabek 1987:x).

This means that empowerment and participation are concepts which go hand in hand. "In theory, empowerment and participation should be different sides of the same coin" (Oxfam 1995: 14).

Thus while the NGOs act as facilitators, the responsibility for decisions on how to overcome forces of poverty and deprivation must be left in the hands of the people themselves. For example, women must be left to organise themselves and find ways in which they can overcome forces of oppression and deprivation which impinge upon their progress.

In Jones' view, community participation in development activities is not only important for people to make their own decisions; it also has implications for the political freedom and self-determination of the grassroots people.

> The implication (of community participation) is that
> political freedom and self-determination are values in
> themselves, on par with having enough food, shelter,
> education and health care (1990: 259)

Nürnberger stresses this point by referring to human nature.

> The demand for grassroots participation is not only
> based on the intricacies of concrete situations, which
> may elude the expert, but also on respect for human
> nature. Human beings are self-directed creatures. They
> have an intellect which tries to make sense of their
> world; they have a will which is directed towards
> particular goals; they have emotions which can be
> supportive or obstructive; they have the capacity to
> be creative, which is their most valuable asset, or be
> lethargic which is their most devastating handicap.
> The dignity of human beings demands that they be in
> control of their lives, that they are not pushed
> around by others or by circumstances, that they be
> given the space to become creative and responsible
> (1998: 189).

According to the 1993 Commission of the European Communities Programme final report, community participation can be regarded as an element of accountability of the NGOs to the grassroots people. This is because when the community members are involved in the activities which affect their lives, they are able to know what is happening in the organisation and are able to evaluate whether the organisation is representing them or not and to give feedback. Furthermore, this helps the community members to feel that they are taken seriously by the organisation. The need to be taken seriously is sometimes uttered by the community members

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themselves.

> As COB [Community Based Organisations] members put it:
> "We want to be taken seriously and treated like
> intelligent human beings. This is our community and we
> must be involved in all the discussions, decisions and
> funding applications". (Boulle, Johnson & Pieterse
> 1993: 21)

The World Bank Popular Participation Group understands community
participation in development as involving four stages:

> 1. Information-sharing: people are told about
> development project and how it may affect them, and so
> can theoretically decide on their level of involvement
> in it;

> 2. Consultation: people are consulted on key issues,
> and may provide vital feedback to project managers;

> 3. Decision-making: people are involved in the design
> and implementation of a project, and thus influence
> its development at every stage;

> 4. Initiating action: people organise themselves to
> take action in the face of the shared problem or area
> of interest, rather than responding to the initiative
> of outside agencies. (Oxfam 1995: 15)

Cross, Clark & Bekker give an example of how a community can
participate in both decision-making processes about funding and
running a housing project:

> 1. The community based structure makes input into the
> drafting of the funding proposal.

> 2. The community structure manages the funds with the
> assistance of the private housing delivery agency, the
> private civil engineering firm and consultants.

> 3. The community based structure may itself act as
> contractor on the project if it so chooses. (1995: 31-
> 32)

According to Jones (1990) community participation can be done
through committees comprised of local leaders. In such a case
some people may not immediately understand what exactly is
happening - only the leaders may understand. But the people would
still follow what their local leaders ask them to do as this

might be the usual practice. This is also shown by the 1980 World Development Report as it comments on a northern Nigerian community health programme:

> Among the Hausa in northern Nigeria, a programme to eradicate sleeping sickness has been successfully sustained through strong leadership. Every year the villagers clean the undergrowth along the banks of rivers and streams. They do not fully understand the reasons but they are willing to do what their traditional leaders ask. (World Bank 1980: 79)

Though comments like this seem attractive, authors like Swanepoel have warned against early community participation through committees. This is crucial in projects where the organisations deal with the social activities through action groups.

> If a committee is elected very early, it can undermine the whole principle of participation and initiative by all involved, because the action group can easily wait for the committee to start the ball rolling. (Swanepoel 1995: 69)

Swanepoel is of the view that all the members concerned must be involved in the project right from the beginning.

> Participation does not mean that people should be brought into a project when physical labour is required. By that stage people should already have been involved for a long time. There is no other stage for people to begin to participate than right at the start of the project. (1995: 3)

According to Oxfam, community participation in development activities is both an individual and a collective need. As members of the community, individuals have the responsibility to participate in the activities and decisions which concern them. As communities they also do everything collectively to empower each other and change their society. Moreover participation is "not just in the immediate activity, but also in the broader social, political and economic process which concerns" the primary beneficiaries of an organisation - (hence) "their participation must be on their own terms" (1995: 15).

In Harper's view, participatory activities are not something

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which should only be directed to the clients of the organisation. Participatory development must start within the organisation itself. Thus Harper argues that

> Most NGOs attempt to practise participative development; but their own management is not participative at all. Junior staff feel that they have no role in policy decisions or the direction of the organisation. (1996: 149)

In line with the same argument, Sithembiso Nyoni comments on the participatory situation of NGOs in Zimbabwe.

> Most development agencies are centres of power to help others change. But they do not themselves change. They aim at creating awareness among people, yet they are not aware themselves of their negative impact on those they claim to serve. They claim to help change their situation through participation, democracy, and self-help and yet they themselves are non-participatory, non-democratic and dependent on outside help for their survival. (Nyoni 1987: 53)

Though participation is claimed by NGOs as an important development virtue, NGOs themselves have sometimes failed to organise their staff and internal issues in a participatory way. Harper (1996) and Nyoni (1987) believe that everyone in the organisation must be allowed to contribute in the management of its affairs. The reason for this is twofold. On the one hand, staff members need to feel that they are part of the ownership of the organisation. On the other hand, this helps to attain the long-term sustainability of the organisation. Participatory management helps to make staff members at all levels understand issues of the organisation. This also acts as a training process to prepare them for future responsibilities.

Fowler comments that organisational participatory management can be done through consultation of managers with the committees and involving members of staff at all levels in the meetings of the organisation.

> The task of managers is to treat their role in decision-making as one of facilitating a group process with the right people and then discharging their final authority in a transparent way. (1997: 61)

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It therefore follows that participatory development in NGOs is not something which should be practised by the clients (primary beneficiaries) of the organisation, but also by the staff members of the organisations.

Despite all these positive implications, the concept of community participation has not gone without criticism. One thing which stands out in the critique is that the concept undermines the fact that grassroots people also have problems of their own which might hinder their ability to participate in development activities and decision-making processes freely. Jones quotes authors such as Repo as having indicated that

> Discussions about the participation of a local geographic community tend to assume that there everybody is equal, all are working for a common good and that no class conflicts exist. (Repo 1977, in Jones 1995: 7)

This phenomenon is exemplified by a Burkina Faso experience where a community-based organisation developed into a co-operative non-governmental organisation. The organisation formed a cereal bank in which it bought grain from local people who had surpluses and sold it to others during the time of need. But a 1982 research, as quoted by Thomas (1992) from Twose (1988),

> showed that the poor households were not even members of the co-operative. In the main, grain was bought from the cereal bank by co-operatively rich households, perhaps to resell it at a profit to poorer members of the community. Four of the six members of the cereal bank committee came from these richer households, and they determined who was able to buy the controlled price grain. Furthermore, the grain was only sold in sacks of one hundred kilos, a quantity which the poor can rarely afford to buy. (Twose, in Poulton & Harris, 1988: 143)

Experiences such as this indicate that among the grassroots people there are political, economic and social inequalities which manifest grassroot forms of dominance and marginalisation. While the intention of NGOs might be that all the people in a local community - especially the poor - must participate in

development activities and decision-making processes, it can happen that the participation is dominated by a few grassroot 'elites'. These 'elites' may not share the benefits from their development participation with others. In some cases those dominated may not even be free enough to fight against the dominance because of their powerlessness. We must make sure that "the optimum degree of freedom corresponds with the optimum degree of equality". (Nürnberger 1998: 197)

In Jones' (1995) view, equality for the grassroots people to participate in development activities and decision-making processes can be achieved if the individual members of the society are empowered through education. Dominance which obstruct people in participating in development activities does not only come from socio-economic and political inequalities, but also from the fact that poor people do not have enough knowledge to understand their own powerlessness or to know ways and means of overcoming it. Empowerment would therefore be seen as a prerequisite to community participation.

Another problem associated with community participation is the practice of neutralising accountability of leaders. Here the assumption is that all the members of the community are responsible for the activities and decisions undertaken. It overlooks the fact that people do not have equal access to power. This idea may be misused by leaders who tend to avoid taking over responsibility, claiming that what they are supposed to do is the responsibility of the whole community (Jones 1995: 7).

Finally, though a civil society may have a conducive climate for participatory development, participatory development can be suppressed by governments which are

> notoriously unwilling to reform the political and economic systems. If governments are not reform-minded, they will suppress participatory development wherever they emerge as soon as such development threatens, to undermine the power base of the ruling elites. (Nunnenkamp 1995: 15)

All in all, participation as an aspect of development is about involving people at all levels of the organisation in decision-making processes which affect their lives. This can be done by means of consultation in which the organisation or the managers consult the people both in and outside the organisation to contribute their thoughts, talents and skills in the projects at hand and the management of the organisation. Community participation can also be through leaving the people to take full responsibility of the projects at hand, while the NGOs or other firms remain facilitators or advisers. While community participation can indicate the willingness of individuals to contribute their ideas, skills and talents in the projects at hand, in the final analysis community participation means that the community acts collectively.

Above all, the importance of community participation in development activities is based on two main reasons: participation acts as a vehicle through which the community expresses its political freedom and self-determination in the projects it is encouraged to undertake; participation also helps the community to learn how to deal with the projects at hand at a sustainable level. Thus sustainability is one of the aspects of community development undertaken by NGOs. We will now spend some time trying to answer the question: What is sustainable development?

2.2.4. Sustainable development

Korten maintains that " Development must, at least by a people-centred definition, be sustainable" (1990: 177).

The term sustainable development was coined by the 1987 World Commission on Environment and Development. According to the commission, sustainable development means:

> a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development and

institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations. (WCED Report 1987)

This definition embraces sustainable development in its wider sense and is supported by Korten who remarks that,

Sustainability does not require that nature be left untouched. It does require, however, that each generation recognises its obligation for stewardship of earth's natural resources and ecosystem on behalf of future generations. (1990: 4)

In the view of Oxfam, 'sustainable development' when dealing with the community needs of people, aims at 'sustainable livelihood'.

Sustainable livelihood means that an individual or group has the capacity to maintain or improve social, political, economic and other opportunities in life, without jeopardising the opportunities for others or for future generations. (1995: 20)

In practice sustainable livelihood is characterised by the capacity to "resist 'shocks' and sudden changes and to create opportunities" (Oxfam 1995: 20). This capacity can be supported by people's level of education, health, ability to control resources, social and political strength. But for people to gain these capacities, we need to remove all the rigid social regulatory mechanisms which tend to deny the poor access to freedom by manipulating and controlling their daily social lives.

A sustainable world would not be and could not be a rigid one, with population or production or anything else held pathologically constant. One of the strangest assumptions of present-day mental models is the widespread idea that a world of moderation must be a world of strict, centralised, government control. We do not believe that kind of control is possible desirable or necessary...But rules for sustainability, like every workable social rule would not remove important freedoms; they would create them and protect them against those who would destroy them. (Meadows, Meadows & Randers 1992: 212)

Sustainable development by NGOs is not only provided at an individual level, but also at a group level.

Sustainable development requires an effective exchange

of knowledge and information between a range of people, groups and institutions. (Oxfam 1995: 21 cf Meadows, Meadows & Randers 1990: 213)

According to Porter, Allen & Thompson, sustainability can be measured by the way the projects started by NGOs have been maintained. For example, questions may be asked:

> Are the shallow wells constructed being maintained by the user community? Does the government system provide enough back-up to ensure that the improved health systems are maintained? Does the women's bakery group set aside funds to cover maintainance costs of the ovens and equipment? (1991: 159)

Sustainability may also mean the ability to creatively apply the knowledge gained to other spheres of social life which are not directly connected with the projects at hand. Porter, Allen & Thompson calls this "process sustainability". In this case a fundamental question may be asked.

> Has the experience gained through participation in water projects, or in the group-based credit programme, led to a wider capacity within the community to tackle other concerns, whether these be additional wells, or activities outside the scope of the NGO programme, from which political sensitivities preclude direct   NGO attention? (1991: 159)

Here it can be seen clearly that sustainability is not only about improving people's capabilities, but also that people with the capabilities they have gained must be able to take responsibilities extensively. These extensive responsibilities can be either in connection with what the NGOs have left with them or some other areas which affect their lives in the society.

2.2.5. Leverage

Leverage is a position in which NGOs play an intermediary role between the higher authorities and the people on the ground, both at a local, national or international level (e.g. politicians, business people, donors).

According to Fowler, leverage can be categorised into direct and indirect leverage.

> Direct leverage for an NGDO typically i.
> engaging with more powerful actors to change how ι.
> behave... At its most basic, direct leverage involves
> finding the sensitive spot in another organisation and
> applying the right sort of pressure, in other words
> the most appropriate type of input that will cause
> change. (1997: 225)

Fowler observes that there are six instruments of direct leverage which NGOs can use namely: demonstration; public-policy advocacy; political lobbying; monitoring compliance with public policies and laws; propagating new ideas and findings from studies; and research and public education. (1997: 225)

In demonstration, an NGO is involved in some action to show its dissatisfaction with the way some sectors are behaving. For example, Policy Alert (an early-warning service paper provided by the South African Parliamentary Information and Monitoring Service (PIMS)), speaks of Cosatu as

> threatening a general strike for the 12 May 1997, over
> their continued demand for a 40 hour week; for 6
> months maternity leave (four of which should be paid
> leave); and for there to be no possibility of
> variation of basic minimum standards. (Wednesday,
> April 16, 1997)

The "general strike" would be understood as a kind of direct demonstration leverage. But before this, other forms of leverage such as public-policy advocacy and lobbying demanding the 40 hour and the 6 months maternity leave could have taken place. Disagreements on these steps could have made the union to engage in the demonstration. A typical example of leverage through lobbying is depicted by Venter in his general statement which reflects on one of the issues over which Cosatu has confronted the South African government:

> ...the GNU (Government of National Unity) drive for
> the privatisation of state enterprises
> ("restructuring") has led to serious disagreement
> between the Cosatu (The Congress of South African
> Trade Unions) and ANC leadership. Cosatu is trying to
> protect its members against possible job losses in the

privatisation of state enterprise, while the ANC, as
a governing party needs the resources that can be
unlocked by this program. (1997: 13)

Here, Cosatu would be seen as assuming the position which
according to Thomas would qualify the organisation as a
"negotiator" between the government and the workers who are the
clients of the organisation; hence playing a leverage role
through negotiations or lobbying (1992: 84). In understanding the
organisation as a representative of its clients it becomes clear
that Cosatu was engaging in public-policy advocacy or lobbying.
In the aftermath of such negotiations the organisation would tend
to remain a watchdog to see whether the government is behaving
according to the agreements made. This would then be seen as an
example of monitoring of compliance with public policies and laws
(Fowler 1997: 225).

I found an example of leverage through contributing to "public
education" (Fowler 1997: 225) in one of the local
Pietermaritzburg communities in 1997. An NGO called Kwazulu –
Natal programme for survivors of violence mentioned that one of
the stages in its projects of helping the young people in the
local communities was to act as mediators between the local
communities and other organisations which can give the young
people life-training of their choice.

At an international level, NGOs also play a great leverage role.
For example, Princen and Finger observe that NGOs can bring
crucial issues to the attention of the media; enhance the
transparency of dominant international actors in major issues
such as environmental safeguards; using their discoveries in the
research they make. This helps the major players in the crucial
international issues to contemplate changes needed in major
institutions and in local areas. NGOs could be understood as
playing a leverage role by mediating between the local areas and
the global village as a whole (Princen and Finger 1994: 34-42).

In terms of "indirect leverage", Fowler adds that "it involves

informing and supporting others (other organisations) such as people's organisations and social movements" (1997: 225). Thus an organisation can be engaged in some of the activities similar to the ones mentioned above. But as long as they do so in order to support other organisations or people who are directly dealing with those activities, they could be regarded as operating at the level of indirect leverage.

2.2.6. *Emergency relief and welfare activities*

Quoted by Thomas, Korten (1987) observed that " many of the large international organisations began as charitable relief organisations focused on refugees and natural disaster situations (Thomas 1992: 126).

Fowler remarks that in "a world in continual state of domestic and international friction" NGDOs will maintain their humanitarian role in terms of relief and welfare, "but with a balance of effort and international aid tilted towards relief and humanitarian assistance rather than development" (1997: 228).

According to Korten this is the kind of NGO activity in which they engage themselves to meet "an immediate deficiency and shortage experienced by the beneficiary population, such as needs of food, health care or shelter" (1990: 115).

Relief and welfare activities are usually carried out by the NGOs during a time of emergency or disaster such as war, earthquake, drought, or floods. They are also carried out as a result of discovering that some people in the society are suffering social deprivation.

An example of emergency relief activities is depicted by Fr. Erick Boulles, a former priest at St. Mary's Catholic Parish in Pietermaritzburg whom I once interviewed. Fr. Boulle explained one of the exceptional cases in the involvement of his parish

relief activities with the victims of violence during the time of apartheid in South Africa:

> One evening we were beginning with religious instruction, Catechism classes for the children, and suddenly a whole group of Zulus arrived on the scene aided by one of our teachers . . . He saw these people walking on the street, looking very dejected and stopped and asked them what they were (doing) and they said they were running away from their homes -that they were being put on fire and so on. So he brought them in - he took them in the car and brought them to St. Mary's and then the Catechism class was disorganised from there on . . . And so we went off to the tea room nearby and bought bread and jam and soup and we made them supper. We gave them food because they had no food. They had nothing but the clothes that they were wearing, that's all! So after Catechism we put them in the hall, locked up for the night because they were afraid and then in the hall they had all the facilities they needed: toilets and so on. And the next morning we went to see them and we realised that they were going to stay. They couldn't go back home. So we went across the road where we had some empty buildings. They're still under the guidance of the church. And we put all the refugees there and they had already grown in number overnight the next day. . . . So we formed a group immediately - a social action group. One or two were from the Justice and Peace Commission. But there were one or two others who did not belong to anything at all and one gentleman in particular who took it upon himself to willingly, generously and lovingly take care of the whole situation. (Intervie Durban 1997)

2.2.7. *The importance of social analysis*

The Overseas Development Administration (ODA 1995) suggests that before an organisation engages in development activities with its intended beneficiaries, it is imperative that it engages in social analysis of the community it is dealing with. This recommendation does not bypass the NGOs. Social analysis may be done by consulting the local government. For example, an NGO which once came to Mozambique consulted the government and

> asked what was needed, and was told the most urgent need was for training - particularly upgrading and refresher courses for existing staff in the districts. So the NGO built a training centre, assigned two staff from the NGO, and provided all the material needs.

(Hanlon, quotes in Thomas 1992: 128)

Despite its importance, social analysis may be distorted by the fact that people differ in their

> conceptual framework. Each social analyst, of course, has their (sic) own perspective on the social issues and will put emphasis on some aspects of the situation that another analyst would not see as quite so important. (ODA 1995: 30)

One solution which ODA offers to this problem is the moral commitment of the social analyst to social change. Whatever the judgement the social analyst makes, his/her moral commitment to reform the society in favour of the poor is already a step forward to making right judgements (ODA 1995: 33).

To this effect it should be remembered that when we were dealing with participatory development, one argument which was made was that grassroots people must be involved right from the beginning of the project. Oxfam (1995: 15) sees initial information sharing as the first stage for the grassroots people to be involved in the projects undertaken by the NGOs. As indicated in section 2.2.3., Swanepoel maintains, "There is no other stage for people to begin to participate than right at the start of the project" (1992: 3).

These points, should direct the way social analysts deal with their work at the beginning of the project. If the problem of conceptual framework is to be resolved, the grassroots people themselves must be at the forefront of defining their needs according to their situation.

2.2.8. Public interest as an ethical goal and motive

Harper presents four reasons why most of the NGOs begin:

> 1. Most voluntary organisations start by religious people who believe that they have the obligations to serve those who are less fortunate than themselves.

2. Some are started by people from governments and private sectors who believe that these sectors do not serve the interest of everyone in general.

3. Some are set up in response to crisis (e.g. building a water dam in order to provide water to some people or projects).

4. And some start in order to help particular oppressed groups (e.g. refugees, urban or rural migrant labourers) to resist private business interests and to gain a fairer share of the economic cake. (1993: 72)

In each of the four ways Harper (1996) is of the opinion that NGOs begin because of the discovery of a need to which some individuals or groups believe they can contribute in the society. Thus Lee and Buntman (1989) would claim that NGOs are concerned with "the provision of goods and services of value to the members of the society" (1989: 11). Lee and Buntman see this as an "ethical motivation" which they term "public interest".

NGOs are then persuaded by the conviction that the public (social) needs they discover require their responsibility. As we shall see in chapters 4, 5 and 6, this only presents the positive side. Some critics would argue that NGOs are sometimes started by opportunistic intellectuals whose self-interest motivates them to gain money out of the funding offered by donors to grassroots people. This would be the case with some people who join NGOs. They are attracted by the good incentives offered in the NGO sector.

That ethical motivation has the moral basis of humanitarian concern. Action undertaken by NGOs have sometimes been called "humanitarian actions" (Korten, in Thomas 1992: 126). In its code of conduct Oxfam claims, "As members of the international community, we recognise our **obligation** to provide humanitarian assistance wherever it is needed" (1995: 802).

In some cases this humanitarian concern is influenced by the interest to implement gospel values in a practical way. This is

evident in some statements made by some of the NGOs which are Christian-based. For example the Pietermaritzburg Agency for Christian Social Awareness (PACSA), a Christian based organisation involved in grassroots development, claims in its objectives that it is committed to facilitating Christian social awareness and action (PACSA 1997); the Gateway project, an ecumenical Christian NGO based in Pietermaritzurg, mentions that its approach to development and social welfare issues is based on the compassion of Jesus and honouring the Creator (Gateway 1997); and the Institute for Pastoral Education, based in Grahamstown, remarks in its mission statement that it is "driven by a theology of active involvement and values of social justice", (IPE 1996/1997: 4).

2.2.9. The socio-political, legal and economic position of NGOs

In what social, political, legal and economic position do the NGOs conduct the activities we have learnt about above? NGOs are part of the civil society. They are not governments. Neither are they entrepreneurial organisations directed to making profit. For this reason the organisations are sometimes referred to as non-governmental organisations (NGOs) (Padron 1987: 70 cf Oxfam 1995: 800; Moloi 1993: 1; Pearce 1997: 83) or non-profit organisations.

According to Korten (1990), the social position of NGOs is not only different from governments in that they are a different kind of institution. The distinction is also justified by the way NGOs themselves deal with development and social welfare issues. Korten points out that voluntary organisations use "integrative power" (based on shared values) while governments use "threat power" (based on coercive social mechanisms) to access resources from the people. In "integrative power"

> Citizens contribute their time, money and other resources to a VO (voluntary organisation) because they believe in what it is contributing to society. They share in the commitment to the organisation's vision of a better world. (1990: 98 cf Fowler 1997: 24)

NGOs can be

1. Complementing the state; by filling in gaps, by providing services they are better equipped to provide (development goods and services) than the state, or by working with the state to provide jointly a variety suited to the variety of needs among the population.

2. Opposing the state; either directly or by lobbying at governmental level, or in international arenas, or indirectly by supporting local and national groups that are adversely affected by government policies.

3. Reforming the state: by representing the interests of the groups they work with at grassroots level to government and working with government to improve policies. (Thomas 1992: 140; cf Annis 1987: 130)

The non-profit position of NGOs denotes both their economic and their legal position in the society. Economically NGOs represent the grassroots people in reaction to the behaviour of businesses. Unlike businesses, NGOs are concerned with integrative humanitarian values and beliefs of public interest. They operate on the basis of "non-market principles" (Mackintosh 1992: 69). In other words, the concern of NGOs is twofold: on the one hand, they are concerned with receiving donations from donors and providing information to them; on the othe hand, they are concerned with providing services to their primary stakeholders and receiving information from them (Fowler 1997: 25).

This means that any such "organisation may not lawfully pay its profit to owners or indeed to anyone associated with the organisation" (Lee and Buntiman 1989: 8). All the funds and profits they make must be devoted to the programmes, projects and other activities which the organisations engage in.

Legally, the organisations may also enjoy some tax and subsidy benefits. Thus

1/ No one owns the right to share in any profit or surplus of a non-profit; 2/ Non-profits are exempt from taxes on corporate income; 3/ some non-profits receive a variety of other subsidies - donations to them are tax deductible and they are exempt from many other forms of taxation in addition to the tax on

corporate profits. (Weisbrod, in Lee and Buntiman
1989: 8)

2.3. Summary

NGOs mainly engage in development, relief and welfare activities.

In development activities these organisations deal with
grassroots development. Their focus is to empower grassroots
people to be self-reliant at a sustainable level through the
participation of the grassroots people in the decisions and
processes which concern them. Where they see that the grassroots
people need representation, these organisations engage in
leverage development in which they mediate, represent or advocate
the needs of the grassroots people to some authorities of the
society.

In relief activities the organisations feel that they have the
responsibility to help those in danger (e.g. displacement because
of wars; famine because of drought; lack of shelter because of
earthquakes and so on). In welfare actitivies the organisations
take the responsibility to help those who are suffering
deprivation and to represent those who are likely to suffer
because of the mistakes made by other people either because of
negligence or because of ignorance (e.g. conservation of the
environment for the sake of future generations).

But before engaging in all these activities, NGOs analyze the
communities in which they are operating and their social
contexts. One problem which can be encountered in the social
analysis is the presupposed conceptual framework. This problem
can be minimised by making sure that the analyses are made with
the intention of developing and improving the welfare of the
grassroots the poorest of the poor. This implies that the poor
themselves must be involved in the analyses.

This covers the main goals of NGOs. But for them to engage in such activities they must believe that what they do is right and/or that they have the right to engage in such activities. Moreover, their actions need to be legitimised by their socio-political, economic and legal position in the society.

Convictions of NGOs are based on public interest and humanitarian concern. Hence they have humanitarian convictions which may be based on religious commitments to implement gospel values in a practical way or the moral belief that one has an obligation to change the society.

The socio-political position of NGOs is that they belong to the civil society. They are not governments. But NGOs can complement, oppose or reform the state.

The social, legal and economic position of NGOs is characterised by the fact that they are non-profit or non-market oriented. They act in reaction to the behaviour of businesses which tend to neglect the interests of poor people in their business systems and activities. The surpluses they make or receive from donors are channelled to the needs of the projects and programmes they are undertaking with the grassroots people, and not to the owners of the organisations or anyone acting as a staff member in their internal organisation. For that, NGOs may receive tax exemptions or subsidies from governments.

CHAPTER THREE

3. THE IMPACT OF THE STATE ON NGOs

3.1. Introduction

The aim of this chapter is to study the impact of the state on NGOs. Our analysis will take place at two levels. First, we shall examine actions of the state towards NGOs which show that such impact exists. Second, we try to detect the conditions and behaviour patterns in the NGO sector which are a result of the impact of the state.

In terms of the actions of the state, the study will focus on how the state limits the numbers, the behaviour and the scope of the activities of NGOs through structures and systems such as the legal framework, policies, border patrol and income taxes.

In terms of the conditions and behaviour patterns in the NGO sector, our concern will be to reveal what non-governmental organisations do in reaction to the actions of the state. This will be based on how NGOs depict their identity when they deal with the state.

Reference to concrete experiences of the NGO sector in countries such as South Africa, Czechoslovakia, India, Indonesia and Malawi will be made. The South African Apartheid Regime and India will be our main case studies.

The choice of the South African Apartheid Regime has been made for two reasons: first, the regime represents countries which have been reluctant to accept democratic reform. In that way the regime affords examples of how governments which are not open for democratic change treat NGOs. Second, the choice has been made in respect to the geographical context in which this dissertation

is written. Being in South Africa it becomes important to learn about its history.

The choice of India as the other main case study has been because India has been hailed as one of the most democratic of the countries which have been freed from colonialism during the second half of the 20th century. Following the trends of this dissertation, it is important to see how countries which are open for democratic change treat NGOs.

The choice of the other countries, Indonesia, Czechoslovakia and Malawi, has simply been made to substantiate the points made in the study. Authors have shown that a clear-cut difference exists between the behaviour of a state which has a negative impact and behaviour which has a positive impact on the NGO sector. Thus this section will not only show the impact of the state on the NGO sector, but also draw a line between the negative and the positive impact of the state on NGOs.

For a brief theoretical background we shall first look at the general picture of the relationships between the state and the NGO sector.

3.2. A general picture of state relations with the NGO sector

> The relationship of Third World NGOs with government is at times one of animosity, or distrust; at times of open collaboration...Tensions between indigenous NGOs and their governments can be traced to a number of factors: differences in values and ideology; differences in development priorities; and, differences in development approaches. (Galilao 1987: 116-117)

NGO-state relations vary "from region to region or from country to country" (Drabek 1987: xiii). This is because opportunities given to the NGOs usually depend upon the ideology of the regime in power. If the regime is militant or autocratic, non-governmental organisations may choose to be on the opposition

side against the state, reflecting the general atmosphere of the civil society which the organisations represent.

Opposition from the NGOs to governments may come from factors such as: the assumption that development or social welfare improvement of poor people is failing because of the oppressive, exploitive and corruptible behaviour of the local politicians; NGOs affiliation to opposition parties; competition for international funding and relations between the NGOs and the state; differences in policies, interests, goals, political languages and methods between the state and the NGOs (Kaimowitz 1993:1143).

Thus the NGO officials may challenge the local politicians to change their behaviour in dealing with poor people. However, under such circumstances, chances are high that the NGO sector may not flourish due to suppression by the state (Fowler 1997: 120; Korten 1990: 120).

If the regime in power is democratic or has popular support from the civil society, the NGO sector may work collaboratively with the state. If this is the case, the distinction between NGOs and the government may not be easy to make since some NGOs may operate using funds from the state (Potter and Taylor 1994: 2). Nonetheless, where tolerance of the state for the NGO sector to operate without such collaborations exists, there might be situations in which the state's approval or disapproval of the activities of NGOs are unpredictable. This mostly happens when such a state, though ideologically democratic, is not ready for social change (Fowler 1997: 120 cf Pakulsky 1992: 141).

Unpredictability of the state's behaviour toward the NGO sector may also result from the fact that NGOs are becoming "militant" (Korten 1990:119) or gaining momentum in empowering the civil society and challenging the state's behaviour. According to Fowler this development passes through the following steps:
    1. delivery of services;
    2. developing new technologies and methods;

3. developing social innovations;
4. policy-level lobbying;
5. grassroots mobilisation and federation.
(1997: 121)

The more NGOs develop from the first stage to the fifth, the more they become a threat to a state which is not ready for social reform. Thus the hostility of the state toward the NGO sector becomes more likely.

Hostility of the state towards the NGOs may even be realised through structures such as laws, policies and tax systems. These may be organised as control mechanisms to minimise the power of the NGO sector.

If the state is democratic and open for improvement and development of the welfare of its people, chances are also high that NGOs will enjoy the state's acceptance to operate in its territory. For example,

> Freedom of association [in Poland] is guaranteed in the Constitution, and today foundations and associations exist in many legal forms. . . . There are tax laws permitting some tax exemptions from donations and tax deductions . . . It is easy to register. The registration is required, simply because, in order to take any kind of activity, you need a bank account in order to receive donations . . . . During the last three years, about 6,000 hard-working core NGOs were created. (Pleban 1992: 99)

Governments which are democratic and supportive of social change can even fund NGOs.

Looking at the differences between states which are not open for democratic reform and those which are open for change, history would show two worlds of state-NGOs relations. The non-democratic state has a negative impact on the NGOs. Democratic states generally have a positive impact on the NGOs. The term "positive impact" means activities which enhance those of the NGOs to develop and enhance the welfare of grassroots people. "Negative impact" means those activities which interfere with them.

Some concrete examples of negative and positive impact will be given in the two case studies of the South African Apartheid Regime and India that follow.

3.3. Actions of the South African Apartheid Regime: a negative impact on the NGO sector through attempts to limit numbers and the scope of the NGO sector

3.3.1. The General Picture

In
On his paper on "Managing NGOs" presented at the University of the Western Cape on November 25, 1993 Moloi comments on South Africa during apartheid:

> The relationship between the old apartheid regime and the NGO's is a well known tale of suspicion, harassment and hatred, the very nature of apartheid, whose policy was to provide for almost all the minority while under-developing the majority.
>
> The spread of NGOs and the fact that almost all of them are funded externally, the state sought to prevent this by declaring them "affected organisations" through a Bill aimed at disallowing them to declare their funds and to stop receiving any funds. (T)he more the government did this, the more the NGO network spread. (1993: 3, cf Ginwala 1992: 122)

Pius Langa mentions that in South Africa during apartheid "repressive laws were used ruthlessly to strangle this (voluntary) sector, concentrating not just on political organisations, but also on a variety interest groups" (1992: 115).

These repressive activities included:

-outright bannings;
-restrictions on all activities, while allowing the organisation to exist on paper;
-restrictions with regard to specific activities (e.g. prescribing that an organisation that was created to care for the aged cannot do anything except care for the aged); and

40

-restrictions on receiving funds.
(Langa 1992: 115)

In addition to these treatments Langa remarks that the policies
of the government were designed to harass organisations. Any
organisation which survived in such an unfriendly climate had to
put up with the hostility of the state. More often than not,
organisations which survived were those which had gained
international support and influence such as Church organisations.
Langa comments on how the state related with the South African
Council of Churches (SACC):

> There was a love-hate relationship between the South
> African Council of Churches (SACC) and the government
> (the SACC loved the government, and the government
> hated the SACC), but the SACC survived because the
> government simply could not risk creating the
> perception that it was engaging in a war with the
> church. (1992: 115)

The impact of the apartheid regime on the NGO sector was then
influenced by the politics of the day because the NGO sector was
perceived to be a potential fighter against the status quo.

The apartheid state in South Africa developed tendencies of self-
defence against individuals and groups who posed challenges for
change.

3.3.2. The impact of the legal framework, policies, tax treatment and border patrol on the NGO sector according to Budlender (1992)

Budlender (1992) has shown how the apartheid regime in South
Africa suppressed NGOs with reference to the legal framework,
policing, tax treatment and border patrol.

3.3.2.1. Legal Framework

The crucial laws which tended to limit the activities of non-
governmental organisations are those dealing with the banning of

organisations and controls of fundraising which affected non-governmental organisations in apartheid South Africa. For example,

> The Internal Security Act of 1982 gave the government very wide powers to declare organisations unlawful; the Affected Organisations Act of 1974 (provided) that the government may prohibit organisations from receiving any funds from outside South Africa; the Fundraising Act of 1978 made it a crime for a person to receive funds without the permission from the Director of Fundraising. (Budlender 1992: 92)

In addition to these laws the government also suppressed the freedom of speech among non-governmental organisations by having a Constitution without a Bill of Rights (Budlender 1992: 92; Langa 1992: 114).

3.3.2.2. Policies

The apartheid government made policies which prevented non-governmental organisations from engaging in fundraising activities internationally.

> Foreign funding has been seen as unwarranted and illegitimate international interference in South Africa's domestic affairs - the government's right to repress and discriminate against its citizens. (Budlender 1993: 86)

This came out clearly in the Fundraising Act of 1978 which made "it a crime for any person to solicit or receive donations from the public unless this was authorised by the Director of Fundraising" (Budlender 1992: 96). The Act was accompanied by the requirement that any non-governmental organisation existing or emerging in South Africa should be registered by the government.

According to the government, the policy was made with the intention to avoid complications caused by the misbehaviour of NGOs in relation to the public and their donor agencies. Thus fundraising from the public was prone to the suspicion that NGOs exploited the local people, while obtaining donations from other

countries was seen as a way of bringing foreign intervention into domestic issues. Sometimes fundraising could be refused when "there is another voluntary organisation in the same geographical area, with similar aims" (Budlender 1992: 87).

Budlender claims that such policies and their aims were, by and large, used to disguise political motivations (1992: 86)

3.3.2.3. Prioritisation of income tax

> In general the tax system in South Africa is unsympathetic to voluntary organisations. It is difficult for a VO to qualify for exemption from the payment of income tax. Donors to VOs seldom receive any tax benefit as a result of their donations, and may have to pay an additional donations tax. (Budlender 1992: 95)

According to section 10(1)(f) of the Income Tax Act tax exemption was provided for organisations which were known to be ecclesiastical, charitable, and educational institutions acting in the public interest. But in spite of the provision of this Act, the definition of the terms "charitable" and "educational institution" were so narrow that they only applied to very few organisations. Thus Budlender points out:

> The term "educational" is fairly narrowly construed, to mean institutions with the sole or main purpose of providing education in the sense of "at least an element of systematic or formal instruction, schooling or training". (Budlender 1992: 95)

The same applies to the term "charitable":

> For example, the Commissioner has taken the view that a nonprofit community development trust established to develop residential areas for people with low income, does not qualify as a charitable institution. (Budlender 1992: 95-96)

This meant that only a few organisations could be exempted from paying income tax on their receipts and income. Donations were not spared from this suppression.

> Potential donors are not encouraged to support
> voluntary organisations . . . In other words,
> donations are made out of after-tax profits or income
> . . . It is . . . better, from the tax point of view,
> to spend your money selfishly on yourself than to give
> it to a worthy or needy individual or voluntary
> organisation. There is no differentiation between
> different types of donors as far as tax benefits are
> concerned. (Budlender 1992: 87, 96)

3.3.2.4. *Tax imposition and border patrol*

Tax imposition has also been used in *border patrol* for NGOs.
*Border patrol means that the state taxes or bans certain
activities of NGOs because of considering them as related to the
responsibility of the government or the business sector.* For
example,

> Tax exemption has been refused to a nonprofit
> nutrition organisation that sells nutritional foods at
> low cost, and undertakes education in nutrition
> education. The basis for the refusal is that the
> organisation is *engaging in trading activities*.
> (Budlender 1992: 88)

Budlender argues that imposing such a tax on NGOs is wrong. This
is because more often than not, such trading activities are
directed at the charitable concerns of the organisations. They
are part of their public interest engagements. However, it can
be accepted that what the state should prevent in the NGO sector
is the tendency to make profits in the way that private business
does. If an organisation has trading activities which are
directed solely at charitable public concerns, tax-exemptions
should be provided.

Another area in which border patrol was practised by the South
African Apartheid Regime, was lobbying. In this case, non-
governmental organisations were prevented from influencing public
policy in areas which concern their work, though the NGOs
themselves believe that lobbying is their legitimate
responsibility. Thus border patrol in terms of lobbying is seen
as a form of oppression (Budlender 1992: 89).

The apartheid regime also engaged in border patrol activities by forcing welfare and development NGOs to confine their activities to specific racial groups. Thus even if an NGO saw the need to help more than one racial group it was impossible to do so. An organisations was forced to help either the Asians, Coloureds, or Whites. These races were given first consideration. The Blacks were categorised as belonging to "general" welfare activities. According to Budlender (1992), this division meant that welfare activities made for the Blacks were prone to "white political control".

3.4. A positive impact: the case of India

India is the most democratic country among the developing countries which have gained their independence from colonialism during this century. It is also the country with the best track record of civil rights in Asia.

> Karnataka in South India could be rated as one of the most democratic states in India, perhaps in Asia. It has, for example, comparatively stable multi-party politics, a free and lively press, and a 'culture of accountability'. (Porter 1994: 10)

Right back in 1949, two years after independence, the Indian Constitution read:

> WE THE PEOPLE OF INDIA having solemnly resolved to constitute India into a SOVEREIGN SOCIALIST, SECULAR, DEMOCRATIC REPUBLIC and to secure to all citizens, JUSTICE, social, economic and political; LIBERTY of thought, expression, belief, faith and worship; EQUALITY of status and opportunity; and to promote among them all FRATERNITY assuring the dignity of the individual and the unity and integrity of the nation; IN OUR CONSTITUENT ASSEMBLY this 26th of November 1949 DO HEREBY ADOPT, ENACT, AND GIVE TO OURSELVES THIS CONSTITUTION. (Mosse 1993: 14)

Due to this political atmosphere there has been growth in support for the NGDOs by the Indian Government. "NGOs in India derive much support and encouragement from their government; they are registered with the government and tend to work in close

collaboration with it" (Drabek 1987: xiii).

Such support has also been necessitated by India's demographic
structure and historical background.

> There are 575,000 villages while there are not more
> than 3,000 cities and towns. . . . 48 per cent of the
> rural population is estimated to live below the
> poverty line against the 41 per cent in urban areas.
> (75 per cent of the whole population lives on
> agriculture). (Maheshwari 1985: 12)

It is in respect to this context that the rural development in
India has always been on the forefront of its development
policies. The history of such policies indicates that rural
development, through agriculture, began to receive serious
consideration in colonial times. The 1928 British Royal
Commission on Agriculture recognised the "directorship of
agriculture" as one of the key posts for rural development in
India. The 1935 Government of India Act supported provincial
autonomy which mainly gave way to rural development programmes
(Maheshwari 1985: 17, 27).

Having gained its independence in 1947, the Indian government put
rural development as one of the foremost priorities on its agenda
in 1951. In its 1951-56 policy plan India included community
development under the support of the state's National Extension
Service. This was later transformed into cooperative farming with
special consideration for community participation. The
development of this move since the 1960s has brought programmes
such as: Intensive Agriculture District Programme (1960); Applied
Nutrition Programme (1962); Intensive Agricultural Areas
Programme (1964); High Yield Variety Programme (1966); Farmer's
Training and Education Programme (1966); Rural Manpower Programme
(1969); Composite Programme for Women and Pre-school Children
(1969); Drought Prone Areas Programme (1970); Small Farmers'
Development Agency (SFDA) (1971); Minimum Needs Programme (1972);
Training Rural Youth for Self-employment (1979); Development of
Women and Children in Rural Areas (1983) and many more
(Maheshwari 1985: 30-34).

Supported by foreign governments such as the United States, these Community Development Programmes were administered by the central government. The central government had a Community Development Planning Commission, headed by the Administrator of the Community Projects. Thus,

> The Community Development Programme was thus imparted its content and shape by the central government which was also meeting its cost, but the subjects covered under it are the direct constitutional responsibility of the state in India. (Maheshwari 1985: 40-41)

Though the government has been greatly encouraging rural development, some of the areas in which it has been directly involved have delivered with bad results. This has been due to decentralisation of some central development aspects. For example, price recommendations of the Commission on Agricultural Costs and Prices (CACP) are not mandatory. "The political wing of the government - the cabinet - can accept or reject them" (Varshney 1995: 82). Korten mentions the failure of the development project which was funded by the Ford Foundation to enhance rural agricultural production and infrastructure at Etawah due to government intervention. The government

> failed to adopt the painstaking approach to developing a participative administrative structure able to respond to bottom-up initiatives which had been the key to Etawah project's success. (1980: 482)

This is very different from the National Dairy Development Board which, having started in 1940, had, by 1976, established cooperatives in 4,530 Indian villages, with a total membership of 2 million farmers. The board based its approach on decentralisation mechanisms under the leadership of Verghese Kurien who had just graduated from a U.S. university. Its approach included: accessibility of benefits to its poorest members; assurance of a market through fair prices; locally manageable technology; training of all those responsible; audited management and daily payment of members; and simplified basic functions which do not require complicated decisions from leaders or members (Korten 1980: 486).

Another example which shows India's flexibility in accommodating the activities of the NGOs, even of allowing the NGOs to change and influence government policy, is the Society for Social Uplift Through Rural Action (SUTRA). They operated at the foot of the Himalaya Mountain in Himachal Pradesh. According to Price (1992: 52) the organisation built and ran "creches, literacy programmes, subsidised agricultural extension schemes and health programmes". These activities were funded by both the international donors and the Indian Government.

In 1984, the organisation consulted its grassroots beneficiaries on its performance. It was discovered that women were discriminated against in most of its activities. Such discrimination was also based on the Indian tradition which subordinated women to men in most of the development activities taking place outside the family. When the organisation shared its findings about this discrimination with the government, the government immediately changed its policy in the funding body, the Central Social Welfare Board. Featuring as a major item in that change was the funding of women's projects. "Funding women's projects became a flavour of the month...This gave SUTRA greater access to financial support for women's programmes" (Price 1992: 53).

Thus due to the change of policy, women's problems were understood more fully. They were helped according to their concrete needs and not according to government ideologies. All this happened as a result of SUTRA's initiative to find social problems and change government policy.

The Etawah experience then is an indication of the Indian government's failure to support rural development due to the centralisation of development processes and decisions. The National Development Board, on the other hand, depicts India's real democratic picture which is reflected in its 1949 constitution as we have seen above.

Though experiences such as those of Etawah may be disappointing, the fact that India has opened up space for community development has led to the growth of NGOs in India since independence. The beginning of the Etawah project itself, being initially funded by the Ford Foundation, dates back to 1948. In the 1960s international organisations started to come in the country.

> The World Bank, the International Bank of Reconstruction and Development (IBRD), the International Labour Organisation (ILO), the Food and Agriculture Organisation (FAO), the World Health Organisation, the International Fund for Agricultural Development, etc, are the international organisations which, since the sixties, have been giving thought to rural development (in India). (Maheshwari 1985: 20)

Thus political scientists have revealed that due to India's "vigorous associational life and extraordinary pluralism" of rural life and development programmes, about 10,000 to 100,000 non-governmental organisations have sprouted in India, depending on the classification used (Potter and Taylor 1996: 10).

Three conclusions can be made from our analysis of India. First, the Etawah experience indicates that government decentralisations can be of hindrance to the success of rural development. Second, the Indian Dairy Development Board and SUTRA experiences, claims such as those made by Potter and Taylor (1996:10), and the fact that India put community development at the forefront of its agenda, depict decentralisations as fundamental to the growth of the NGO sector in India. Thus India could be seen as, by and large, an example of a regime with a positive impact on non-governmental organisations, in other words, an example of a regime which shows actions that have a positive impact on the NGO sector.

3.5. The negative and the positive impact of the state and the behaviour of the NGOs

In Indonesia autocracy has dominated the society since the 1960s. Opposition, political activity and pluralism were suppressed.

As for political rights and freedom, Indonesia was regularly rated very low for the 1980s by Amnesty International, the US State Department and other rankings. (Potter and Taylor 1996: 12)

According to Potter and Taylor (1996: 13), despite this unfriendly political climate, Indonesia has enjoyed a reasonable growth of the non-governmental sector. This was revealed by an "authoritative study (unpublished) of environmental NGOs in Indonesia" which indicated that hundreds of non-governmental organisations in Indonesia are growing.

However, in spite of this growth, the term non-governmental organisation is controversial in the Indonesian political scene.

A non-governmental organisation may be perceived as an 'anti-government' political institution, which can attract unnecessary government harassment and intimidation. It is far better to be known as a self-reliant community organisation, even better if your community organisation is part of a loosely structured forum, or coalition of organisations and individuals who act collectively, thereby making it tougher for the government to single you out for retribution. (Porter and Taylor 1996: 13)

So Potter's and Taylor's claim that the NGO sector in Indonesia is growing does not mean that the Indonesian government has a positive impact on the NGO sector. Though Potter and Taylor do not give the explicit reasons for their growth, the fact that non-governmental organisations were perceived with suspicion, and hence forced to falsify their identity by using descriptions which were not controversial for the government, is an indication that the autocracy of the Indonesian government had a negative impact on the NGO sector. Thus we can say that even with regard to the Indonesian situation, a state which does not provide fundamental freedoms to the civil society has a negative impact on NGOs.

The negative impact in this case is not revealed by the declining numbers of non-governmental organisations. Rather, it is revealed by the way non-governmental organisations behave to mask their

identity or operate in a way tolerable for the government, using tactical mechanisms to avoid the hostility of the government. Fowler (1997) also describes the use of strategic tactics in Malawi during the years between 1964 and the 1990s when the country was under the autocracy of President Banda.

According to Fowler, Oxfam in Malawi "was challenged to operate in ways which were tolerated by the state and which created great political space" (1997: 123). First, this was done by examining the political boundaries: studying the relationship between the government and specific communities and individuals, the application of modern and traditional ideas of the government in its dealings with the civil society, identifying areas of sensitivity, and potential opponents to some activities of the organisation. Second, Oxfam made a self-study, in which it assessed its own officials and found out the competencies within the organisation which could deal with the local political situation in the right manner.

With the particular aim of studying poverty, it was discovered that the term "poverty" was one of the sensitive words which the government never allowed anyone to mention or study in the country. The Malawian government always had the tendency not to allow anyone to identify its country as poor. Local political leaders in the specific district which was studied (Mulanje) had to be told that the organisation was making an academic study and that the study was going to be used to help the government and other agencies in their planning for the district. While conducting the study, the organisation sent some of its findings to the World Bank and UNICEF. This made it difficult for the government to confiscate the final report of the organisation, though it contained remarks about the poverty in the country (Fowler 1997: 123).

Oxfam managed to conduct its research despite the intolerant behaviour of the government. But to do this the organisation had to use strategic tactics which stopped the state from realising

that its aim was to study poverty in the country. Thus we can maintain that, though the organisation managed to conduct its research, the negative impact of the government was revealed by the way the organisation behaved to blanket the truth about its plans.

But the impact of the government with reference to the change of the NGOs' behaviour can also be shown by the way these organisations gain momentum in lobbying or protesting against the government. This may happen when the organisations are struggling to change the structures, systems and policies which infringe upon either their rights, or the rights of their intended beneficiaries or the general society. For example, a human rights organisation, Black Sash, describes group stands as one of its main activities. As the 1991 Pietermaritzburg manual of the organisation explains, group stands are usually a response to the behaviour of the state towards either the general public or the people the organisation represents in the society.

> Some of the stands held in the last few years have protested against State secrecy and corruption, the state of emergency, the demolition of squatters' shacks at Jesmonden, and murders of civil rights activists David Webster and of Jabu Ndlovu (local trade unionist). Other stands have called for press freedom, the ending of conscription, equal health facilities and a single health department, and a judicial enquiry into death squad allegations. (Pietermaritzburg Black Sash Advice Office 1991: 7)

It is clear that the behaviour of the Black Sash as an NGO was influenced by the behaviour of the state toward the people in the society. If the state had not behaved in the way it did at that moment, the organisation would not have engaged in group stands of this nature. Thus we conclude that through its behaviour the state has had an impact on the non-governmental organisation concerned.

On the one hand, this may be seen as a positive impact. NGOs may gain a lot of energy through such struggles, e.g. they may gain knowledge through discoveries and careful studies, or wider

reputation, sometimes at an international level in such challenging times. On the other hand, gaining momentum to defend the rights of the organisation or its intended beneficiaries may be a danger sign that more trouble for the organisation is to come. The government may ban the activities of the organisation or the whole organisation altogether. In the case of South Africa such incidences even resulted in harassment of individual members of the organisation.

But whether the results are positive or negative - whether the organisation gains momentum or loses its stance - the fact remains that intensifying force in lobbying or protesting means that the organisation is changing its behaviour as a result of the impact of the state in the form of its behaviour towards the organisations themselves or the people they represent.

Sometimes, even where collaboration between the state and the NGO occurs, the negative impact can be revealed by the nature of the collaboration. This is mainly true in case of collaborations which take place because the state is trying to pacify the activist behaviour of the non-governmental organisations (Kjearum 1992:17).

If collaborations of this nature include government funding for NGO projects, the NGOs may lose their autonomy, for example, in a manner observed by van der Heijden.

> 1/ The availability of substantial government grants may tempt NGOs or the program beneficiaries to become involved in programs inconsistent with their own objectives and capacities.
>
> 2/ The sheer size of government grants and certain grant restrictions . . . may lead to an imbalance in the NGOs' programs.
>
> 3/ In order to obtain, or retain, governmental funding, NGOs may change their priorities, style or working habits to fit the government's requirement.
>
> 4/ NGOs may become unwilling to criticize government publicly or even by implications in their development education. NGOs may "soften" their advocacy work and/or human rights campaigns.

5/ As government funding may be comparatively easy to obtain, there is the risk of the NGO ignoring or downgrading their traditional sources of private funding and traditional relationships with their constituencies.

6/ The acceptance of sizeable government grants often puts the NGO and the local communities under stress. This may be due to the complex, often disproportionate accounting procedures required by the donor government or to the need to hire temporary project staff.

7/ Insistence on direct government contacts with the program beneficiaries may put the security of the beneficiaries at risk and may also adversely affect NGO networks. (1987: 106-107)

Thus a government, which is not ready for social change or which is autocratic in nature, may integrate an NGO in its political programme with the intention of preventing it from acting against the prevailing ideology. In such a case the government may approach or coerce an NGO or some of its staff members to work together with it. Funding for the collaborating NGOs may include constraints which limit the autonomy of the NGOs.

With this fact in mind, Carmichael (1992) is of the opinion that in societies where non-governmental organisations have been oppressed, such as South Africa during the time of apartheid, it cannot be easy for the NGO sector to depend on the state for its financial support. "Imagine in (apartheid) South Africa VOs taking money from the state" (1992: 19).

In terms of the state which is open for social change, NGOs themselves may be free to approach the government either for policy change or for collaboration. We have seen this in our example of India and SUTRA above. Another typical example of this kind is shown by Hanlon (in Thomas 1992:127) who gives an account about how an international NGO worked with the government in Mozambique.

The NGO, whose name Hanlon does not specify, came to a Mozambican district and consulted the government on areas where assistance

was required. The government mentioned health staff training as a crucial problem. The organisation started a training centre where 200 trainees were admitted. The officials of the organisation also went out to the districts to teach people about primary health care. But though the people at the centre were trained by the organisation, the training centre was under government control. The trainees at the centre were sent by the government. The organisation only provided training and requirements such as food, lodging, notebooks and manuals and transport from rural areas.

3.6. Summary

In this chapter we have learnt that if the state is not open for democratic and social change and remains in the kind of ideology which does not provide a social climate with fundamental freedoms and rights, such as freedom of association and speech and tax exemptions in fundraising, the result is the negative impact in the NGO sector. If these are provided, the NGO sector flourishes. Hence the state may be seen to have a positive impact on the NGO sector.

Experience under the South African Apartheid Regime showed that the impact of the state on the NGO sector was negative. This happened as a result of the state's control of the NGO sector through law, policies, tax impositions and border patrol.

Except for some particular cases, such as that of Etawah, India generally features as a state which is open for social upliftment of its people. This is reflected in both its constitution and actions with its people. India remains supportive of rural development initiatives and works collaboratively with the NGOs which are working with the rural poor people of the country. It funds some of those organisations, and as the SUTRA experience demonstrates, India allows NGOs to influence policy change for the well-being of the marginalised people of the country such as

women.

Thus India features as a country which shows that if a country is open for change and provides all the fundamental freedoms and support to its people it can have a positive impact on the NGO sector.

We have also realised that the impact of the state on NGOs can be discovered through the behaviour of the NGOs.

The Indonesian experience of NGOs has shown that NGOs can mask their identity to avoid government hostility. Oxfam's experience in Malawi has shown that before starting operations, to avoid government hostility, an NGO needs to study the political sensitive areas of the local politics. When these are discovered an organisation may manipulate its behaviour strategically in a way that avoids government hostility.

Government impact can also be shown through the way NGOs gain momentum in lobbying for policy, structure and system change where governments resist social change. The NGOs may learn a lot through lobbying, but high intensity in lobbying may also provoke government hostility.

Negative impact can also occur where collaboration between the state and NGOs exists. This happens mainly when the collaboration occurs as a result of the state's intention to pacify the NGOs. When such collaboration includes financial support of the state for NGO projects, constraints accompanying such funds may deprive the NGOs of their autonomy.

Problems between the state and NGOs have more often than not influenced NGOs to depend on the support - mainly financial - of donors rather than the state. In the chapter that follows we will study the impact of these donors on NGOs, mainly NGOs which are intermediaries between the donors and the grassroots people who are the primary beneficiaries of the funds which those donors

give.

CHAPTER FOUR

4. THE IMPACT OF DONORS ON THE NGOs

4.1. Introduction

In the previous chapter our focus was on the impact of the state on NGOs. In this chapter, we are going to look at the impact of donors on NGOs.

As we have seen in the previous chapter, history has shown cases where NGOs experience hostility or lack of financial support from their local governments, and as a result of this, place all their confidence in their support base (donors) in the Northern hemisphere. Financial support from the North is sometimes supplementary to the support of local governments. For example, the Pietermaritzburg Agency for Christian Social Awareness (PACSA) 1996 annual report reveals that almost 98% of its funds are from overseas donors (e.g. United Kingdom, Netherlands, Sweden, Belgium, Germany, Switzerland and Ireland). According to this report, no funding is provided from the local government. In Brazil NGOs which were responsible for helping the local people of the country to slow down the rate of deforestation did not collaborate with local politicians, but with US NGOs (Eccleston 1996: 70).

Thus Nogueira comments that

> Non-governmental organisations suffer from their countries' inability to provide them with resources with which to operate. Hence, the NGOs are subject to almost total dependence on foreign support. [But] The consequences are various and significant. (Nogueira 1987: 170 cf van der Heijden 1987: 106)

In this chapter, it should be noted that wherever the term "donor" is used, we do not include the states of the territories where NGOs are operating, though some issues concerning donors

which we shall meet in the study could apply to situations where the state is acting as a donor agency. In other words, this means that our analysis of donors does not include local official aid.

Our main focus is on international donor agencies. Choice of these organisations has been made because apart from the governments, these are the main supporters of the Second Generation NGOs. Their support is not only financial, but also moral. They may help the NGOs to lobby for policy change. They may help in project planning. Moreover, unlike individuals, firms and businesses which support NGOs, international donor agencies impose conditions on NGOs on how their funds should be used (Fowler 1997: 135). So one of the main reasons for the choice of these donor agencies is to study the impact of these conditions on the NGOs.

Donations from international donors are delivered to NGOs in four different ways: 1/ donors may send donations and evaluators on a regular basis. 2/ The assistance may pass through representatives of the donors or governments in the countries where the NGOs are operating. 3/ Donors may not have permanent representatives in the countries where their NGOs are operating, but keep sending representatives who may spend longer periods in such countries. 4/ Donors may have consultants in the countries where the NGOs are operating who may help to evaluate projects they are undertaking with the NGOs (Fernandez 1987: 46-47).

4.2. Conditions and dominance of international donors

4.2.1. A general picture

Problems connected with the conditions imposed by, and the dominance of, international donors can be defined metaphorically by the African proverb "If you have your hand in another man's pocket, you must move when he moves" (quoted by Kramer (1981) in

van der Heijden 1987: 106).

According to Edwards and Hulme

> There is no source of income for NGOs that does not
> have some explicit or implicit conditions attached and
> much of the funding for NGOs, rightly or wrongly, is
> highly conditional. If NGOs accept the funding, they
> take on the moral and often legal responsibility to
> meet those conditions.
>
> Because development NGOs are dependent on external
> resources, the danger of becoming driven by funding is
> very real. Even with the best of intentions, donor
> agencies can fuel this problem. (1992: 135, 141)

In general, attraction of funds by NGOs is based on factors such
as:

> -their track-record and credibility with donors;
> -their management systems and ability to absorb funds;
> -the extent to which their priorities, activities, and
> methodologies are compatible with those of donors;
> -the level of support they receive from their
> governments;
> -their knowledge of and access to external funds.
> (Antrobus 1987:98).

In most cases donors have imposed special conditions on how the
funds must be used. At the 1987 London World Development/Overseas
Development Institute Symposium Southern NGOs expressed concern
about the loss of their autonomy due to following the
requirements imposed on them by the official donors.

> They feel that they have paid too high a price in
> terms of loss of autonomy, compromise of their
> priorities and lack of their own institutional
> identity in the way they have had to approach donors
> for funds. (Drabeck 1987: ix)

Conditions on the NGOs by international donors are based on the
latter's expectations as to how their money should be used.
International donors put stress on the authenticity and
definitude of financial reports made by the NGOs to the donors'
boards of directors where their direct financial accontability
is owed (Smith 1987: 87). As we shall see in section 4.3.1., one
of the main reasons for the tendency to impose conditions on

donations is the growing corruption in the NGO sector.

According to Fowler,

> The positive impact of conditions (made by funders to NGOs) is that, when right, they increase effectiveness. But when wrong, the opposite occurs. [However], In both cases, donors' conditions can cause unwanted organisational effects on NGDOs, autonomy and identity.
>
> In short, finance which comes with strategic, operational, economic and political conditions and assumptions which do not match the situation, or respect the autonomy of the local NGDOs, lower the quality of donor resources.
> (1997:130)

For funding conditions to be correct, they must lead to effectiveness of the NGOs in terms of the reduction of the prevailing poverty which the concerned NGOs are dealing with. But setting right conditions for most of the international donor agencies is not easy. For example, when aid is made using the conditions and methods of government to government donations, the conditions can lead to disappointing results. This is because government to government conditions are usually based on large-scale policies directed at national or international economic issues, while NGOs operate on small-scale principles directed at small and local sections of the civil society (Fowler 1997: 130).

Incorrect conditions may obstruct the knowledge and experience which the NGOs have acquired within their work. This is mainly evident where donors are dominating the NGOs. Their contact with the NGOs may be done just for their own (donors') benefits. For example, they may be seen to give funds because they want the NGOs to help them get some important information; or because they want to use NGOs as a dumping place for the young people (both volunteers and social workers) who are not able to find work in their own countries or who are in training for social studies; or in some tricky cases they may act as spies of their countries (Palmer and Rossiter 1990: 46).

NGOs with strong convictions that the conditions which have been imposed on them by a donor agency are fallacious, would then better negotiate with their donors for permission to put into practice what they see best for their situation. But to be able to do this, an organisation needs to have a strong reputation and proven experience of its work (Fowler 1997: 130). Otherwise an NGO is forced to follow the interests and conditions of the donors which may be in contradiction with the needs of surmounting poverty and marginalisation at local level.

Funds can also lead to negative results when the donations are attached to donor project proposals with expectations based on solutions and proficiency known or accessible only to the funders (Fowler 1997: 130; Princen and Finger 1994: 32). This may come from the belief that international donors have a wide experience; and hence they have the right to influence and design the activities of their clients. This may also happen because the donors are not usually directly in touch with the local situations which the NGOs are dealing with.

Thus these conditions are sometimes detrimental to sustainable development.

> For example, the EC [European Community] requires in most cases that a substantial portion of its support be used to purchase equipment and, moreover, that it should be from the countries providing the funding. Is all this equipment really necessary? If sums of money are provided for infrastructure costs, what happens in future if we fail to get the resources necessary to cover maintenance or running costs? (Barghouthi 1997:69)

If project proposals are also made by international donors without consulting the NGOs they may reduce the quality of work of the NGOs. Their failure to respect the local situations may jeopardise the people-centred development intentions of the NGOs.

Because of the differences in making right project proposals or implementing those project proposals between the international donors and the NGOs, and the problems which the projects themselves bring, an altenative to project funding has been

programme funding of NGDOs (NGOs) (Fowler 1997: 131; Drabek 1987: xi). In this case, project funding includes special schemes or proposals requiring considerable or concerted effort by the funded NGOs (McLeod 1986: 675). Programme funding simply means "a block of money allocated within an agreed framework for a known period of time" (Fowler 1997: 131).

The general trend for programme funding is a bilateral agreement in which the NGOs are funded with a specific amount of money yearly. According to Fowler (1997) this gives some kind of flexibility and discretion to the recipient NGO.

But programme funding is not without drawbacks. Donor domination is evident even where programme funding is used instead of project funding. For example, donors may propose priorities on issues such as gender, urban development and environment to an organisations which may not be able to integrate these issues with its main agenda. Moreover, if the funding is to pass through some intermediary organisation or individuals such as governments, more financial loss may be encountered since at each level which the money stops some staff may be required to deal with its paperwork and be paid for that. Aid from international donors which passes through some intermediaries may also involve a lot of bilateral or multilateral discussions which might either delay the funds or lead to withholding of funds by either one of the intermediaries or the donor agency itself. Reasons for such multilateral problems are indicated by Fowler:

> The first is the co-optation into strategies, plans and programmes already negotiated with the recipient governments . . . Second, co-optation brings with it a reduction in autonomy and one-way accommodations of relatively small NGDOs compared to relatively mass donors. Third, multilaterals have a natural inclination to employ instruments and terms they apply to governments or contractors. (1997: 137)

Worst of all, programme funding may be organised in the form of a project-by-project basis which results in NGOs turning to the project system.

This means that programme funding cannot be regarded as completely overcoming the problems encountered in project funding by NGOs. In both cases, donor dominance causes the funding drawbacks which NGOs experience.

Taking all these facts into account, the relationships between the NGOs, and their donors (e.g. international development cooperation institutions - IDCIs) are characterised by tensions. Such tensions come from contradictions in interests between the donors and the NGOs themselves; difference in points of view between the donor staff members and the NGO staff members; difference in "regional concerns and preferences, biographical background and ideological opinions"; difference in donor "expectations and concrete plans" of the grassroots people the NGOs are working with; difference in the criteria for the formulation of priorities and definitions of projects (Padron 1987: 71).

To the extent that such tensions sometimes operate at the level of top-down power dynamics, donor dominance can then be taken as a fact of life in the relationships between the NGOs and their donors. This dominance has a negative impact which is evident through its daily practical implications on the NGO sector. We will try to analyze and confirm this claim in the sections that follow.

4.2.2. Administrative burdens

> Ideally, administrative work should be done on a voluntary basis, because this helps the grassroots organisation retain its character and integrity. However, when donors require a detailed narrative and financial report, they are in fact pushing recipient organisations towards bureaucratization, in order to handle their demands. (Barghouthi 1997: 70)

According to Boulle, Johnson and Pieterse (1993), this burden comes from the fact that administrative systems are designed in such a way that they meet the demands of the funders and not the

primary stakeholders of the organisations (1993: 25). Fowler (1997: 131) comments that administrative burdens are mainly experienced in terms of paperwork.

When funds come with conditions which require strict reports at the end of the project or a programme, a lot of paperwork is needed by the NGO in question. NGOs stop their normal work and attend to the paperwork. The whole organisation may also be involved where the paperwork requires discussion or consultation of different staff members of the organisation.

The issue of paperwork can be even more complicated where expertise is needed to do some work which the organisation does not normally do. The organisation may have to hire professionals for that work. Apart from time, this may cause additional financial burdens for the organisation.

New, small organisations which mostly depend on volunteers may even find themselves confused if there is nobody to volunteer to do the paperwork. An organisation called Izenzo Ministry, based in Pietermaritzburg once asked me if it could be possible to find students at the local university campus who could volunteer for bookkeeping and auditing of its finances. The main problem of the organisation was to prove to the donors its capability to manage funds in a well-organised way.

Despite their negative implications, as we shall see in section 4.3.1., such constraints could be useful in counter-balancing a problematic ethical position in the NGOs - especially where these organisations are prone to divert to opportunistic behaviour.

Administrative burdens may also be increased when the funders ask for long-term accountability of the organisation while they have given funds only for a short time. In addition to complications which may be caused in the internal work of the organisations, this may mean that attempts to apply for funds from other donors may be disturbed since this means multiplication of

accountability to the donors and wasting time which does not do anything for the organisation (Boulle, Johnson and Pieterse 1993: 25).

4.2.3. Reliability of funders and funds

The problem of reliability is experienced with respect to the internal problems of the organisations, continuation of funding and the source of funds and time-keeping.

In terms of internal problems, the point is that because of the expectation of the funders, an NGO may not feel free to spend the money according to its internal problems. The organisation may also not feel free to save the money if the funders' demands require that the money should be spent immediately. In terms of the continuation and source of funding the problem may be that funders may not be reliable or flexible enough to allow their clients to make long-term plans for their work. For example, Fowler (1997: 25) indicates that funders can be impressed by the fact that the organisation they are helping is involved in fighting for change in a specific state, during a time of crisis. Once the crisis is gone, funders may also stop assisting such organisations.

According to Burkey, funds which are not reliable in terms of continuation are detrimental to sustainable development. This is true where sustainable development is associated with supporting the projects and programmes which the NGOs have started in their geographical areas of operation. For example,

> Anyone who has travelled extensively in the Third World has seen their share of abandoned schools, clinics, training centres and factories which were built with foreign aid. Donated water pumps, windmills, tractors and other expensive equipment stand rusting and unused. (1993: 193)

For reliability with respect to time-keeping, the point is that NGOs sometimes complain that their funders do not give their

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funds in time. Boulle, Johnson and Pieterse indicate that sometimes funds are given in instalments (e.g. 60%, 30%, 10%) at different times of the year or the agreed period (1993: 25).

Time-keeping problems may also be encountered when there are delays because of making agreements between the organisation and the funder in terms of how a project or a programme should be run. These delays may be even more crucial for organisations which act as branches of larger international organisations. For such organisations, when a local branch applies for funding from the headquarters, the application might have to go through larger branches e.g. national, regional and international (Boulle, Johnson and Pieterse 1993: 23-25).

4.2.4. Time pressure

Fowler indicates that donations may come with requirements which propose durations within which certain activities should be carried out. This may mean that an organisation is expected to deliver by the end of a certain period of time.

If such proposals do not correspond with the limits of time experienced by the organisation on the ground, the officials of the organisation may be under pressure to catch up. If the time given is too much, the officials may also find themselves with too much time without enough money to expand their activities. Both of these conditions may lead to poor performance of the organisations (Fowler 1997: 132).

4.2.5. Discrimination against NGOs to be funded

The basis for discrimination against NGOs by funders has been informal communications between the officials of the NGOs and the funding agencies. Such discrimination has followed the lines of race, gender, geographical proximity and political affiliation.

Boulle, Johnson and Pieterse make this point in a straight forward way:

> For example there are anxieties that informal social networks between white-led NGOs and white CEC [Commission of European Communities – a funding organisation for NGOs] staff improve the former's access. There are similar anxieties that the political affiliations of NGOs have, in the past, affected their access to particular partners. Finally the geographical location of offices and project staff inevitably favours NGOs located nearby. (1993: 23)

4.2.6. NGO staff insecurity

The problem of insecurity with reference to funding lies in the fact that when the funders' policies are not clear, NGOs may feel uneasy as to how they should use the funds. Boulle, Johnson and Pieterse elaborate this point. "NGOs experience funders planning priorities as opaque. This often results in unnecessary insecurities and tensions between the two parties" (1993: 23).

4.2.7. Creating dependence

Critics such as Burkey have also mentioned funding as a foundation of dependence. This is because the local NGOs, instead of engaging in initiatives of generating income, tend to put all their faith in donors. They find donors' aid as an easy way out. Quoting Harsh Sethi, Burkey says,

> The biggest handicap (of donations) is the relatively easy availability of money, not only for vehicles, offices and housing but also for project funds. This negative viewpoint is not based on moral objection to aid, as such, but . . . aid, particularly in the form of funds, represents an easy way out. (1993: 113-114)

But critics such as Kajese, argue that dependency is only because donors tend to treat their client NGOs as recipients of donations, and not as mutual partners. The Northern NGOs which act as donors do not allow their client NGOs in the South to share the resources they have with them (1987: 81).

In Antrobus' view, the danger of dependency in practical terms is that, if it is too much, it creates insecurity in the recipient NGO official. NGOs which are dependent on their donors are always afraid that if they make a small mistake their donations will cease. Thus they would not find it easy to respond to their local situations, if the needs of such situations contradict the conditions imposed by their donors (1987: 99).

In the final analysis, experience with international donations has revealed lots of practical complications in the NGO sector. These complications denote the negative impact of international donor dominance coming through the conditions they impose on NGOs.

This may lead us to be prejudiced against international donors, thinking that they are nothing but a pain in the neck of their clients. However, an investigation of reasons why donors impose these conditions, despite their negative impact on NGOs, will help us understand to what extent such a prejudice may be reasonable or unreasonable. We will therefore spend some time examining reasons why donors impose conditions on NGOs.

4.3. Why donors impose conditions on their clients

In this section, we are going to learn about some of the factors which have led aid agencies to attach conditions to the fund which sometimes deny the NGOs their autonomy; hence factors which have led to donor-dominance. We hope to discover adjustments which can be effected in both the NGOs and their funders so as to increase the capacity of both the receiving and the usage of funds in the NGO sector. Furthermore, as the end of our previous section indicates, such investigation will help us in making right judgements concerning the level at which international donor conditions imposed on NGOs can be regarded as acceptable.

4.3.1. The Questionable ethical positions of the NGOs: opportunism as a core problem

The problem of imposing conditions on NGOs by donors has been growing more and more over the past years due to increasing allegations of corruption in the NGO sector. During the famine in Ethiopia there were organisations in the United States which raised funds claiming that they would help the hungry people in Ethiopia and then used the money later for other purposes. Before the end of communism the North Atlantic countries such as Britain, United States, France and West Germany, required detailed accounts due to the rumours which were found in the media of NGOs using funds they had received from these countries to fund

> Marxist-oriented or armed revolutionary groups in developing countries and not telling their contributors at home that some of their money is being used for such purposes. (Smith 1987:90)

Fowler defines this phenomenon as a lack of "voluntary ethic" of the NGOs. This becomes even more crucial where NGOs seem not to have a clearly defined vision for their work and/or where these NGOs are established by unemployed intellectuals who are building political shelters for themselves and seeking meaningful work (Fisher & Meyer 1995: 1280-1281). Such NGOs are usually perceived by donors as having the tendency to use funds for unintended purposes or simply to embezzle them or involve themselves in corrupt and opportunistic activities such as nepotism or self-selection. NGO officials may give jobs to their relatives or put themselves in certain high positions for internal political or economic reasons or gains.

> . . . NGOs with no voluntary ethic, understanding and vision are being created by politicians, ex-civil servants and entrepreneurs solely for the purpose of tapping aid flows or building a political base. For them NGDO registration is a strategic convenience. Confined to their offices, official donor staff are too seldom able to verify what they are told. (Fowler 1997: 143)

Caution by donors has been taken due to growing information

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regarding these practices.

> Annual statistical accounts for example, have now begun to include a line item on "ecclesiastical crime" which gives estimates on the amount of money (in dollars) sent overseas by church-related organisations that purportedly is being embezzled by local church counterparts in developing countries. (Smith 1987: 90)

Smith (1987: 90) reveals that these statistics indicate that in 1970, out of $3 billion total international funds to church-related organisations, $5 million (0.16%) was misallocated; in 1980, $30 million (0.6%) out of $5 billion funded to similar types of organisations was misallocated; and in 1986 the figures grew to $64 million (0.85%) out of 7.5 billion. Future estimates are that by the year 2000, $350 million (2.9%) out of $12 billion will be misallocated. Thus,

> In the Third World, ecclesiastical crime has now reached serious proportions. Whereas 95% of the church leaders are honest persons, some 5% have become small-time ecclesiastical crooks embezzling sizable church grants, relief donations of foreign currency, or setting up phony relief or Third World mission projects. A major factor contributing to this rash of petty crime has been reluctance of Western donor agencies to enforce strict accounting for the huge sums of money they unload on Third World churches every year. (Barret quoted in Smith 1987: 90)

Jan Pronk believes that this problem will not only affect the financial aspect of the NGO sector. It will also affect their capacity to challenge bad practices in the government sector. NGOs will lose their political credibility:

> The corruption of NGOs will be the political game in the years ahead - and is already being played today . . . NGOs have created a huge bureaucracy, employment is at stake, and contacts in developing countries are at stake. It will become impossible for them to criticise governments for decreasing the quality of the overall aid programme. NGOs will lose in the years ahead . . . they will be corrupted in the process, because they will receive enough money for their own projects but the rest of the aid programme will suffer. (Pronk quoted in Hellinger 1987: 137)

Overwhelming as these statements may be, embezzlement of donations by NGO officials is not always the case. Sometimes

funds are just spent for purposes which concern the organisation's work, yet they are not found in the funders' prescriptions. NGOs do this because funders are usually reluctant to give donations for overhead expenses.

> Consequently, in order to pay realistic salaries and cover necessary clerical and building expenses, indigenous NGO executives sometimes have to fudge or pad budgets and use project funds to pay some of their administrative costs. In such cases the fault lies with international NGOs (funders) who should be far more realistic in allowing for necessary overhead costs. (Smith 1987: 90)

However, Smith (1987: 90) points out that taking into account all these allegations of corruption in the NGO sector, it will remain indispensable for donors to prescribe conditions and require detailed accounts of how their funds are used. Mere evaluations or appeals to trusting NGOs on the basis of partnership cannot help.

But this does not mean that there cannot be other measures through which corruption in the NGO sector could be checked. Fowler (1997: 143) mentions that apart from imposing funding conditions, funders have also sought to minimise bad practices in the NGO sector by recruiting liaison personnel from the concerned areas who may be responsible for dealing with matters concerning funding of the NGOs in the particular geographical area. But sometimes such liaisons have been tainted by "biases and politics of the NGO community". Some liaison personnel also tend to generalise issues without making proper researches. Thus they sometimes impose funding constraints to NGOs which may not deserve them.

Klitgaard (1988: 94-97) gives some hints on how corruption can be checked, namely: choosing honest and capable officials by assessing their past record; improving the rewards of the staff members (e.g. raising salaries, rewarding actions which control corruption and giving non-monetary rewards such as transfers, training, travel, publicity and praise); penalizing corrupt behaviour (increasing punishment level, using deterrent and

informal penalties such as transfers, publicity, loss of professional standing and blackballing); gathering enough information from clients, media, auditors, investigators and internal security to detect corruption; increasing the auditing activities and providing evidence that corruption is taking place wherever discovered; restructuring the combination of officials (e.g. making them work in groups, putting them in combination of hierarchical levels and giving them responsibilities which make them check each other for corruption); changing attitudes about corruption through training, education, evident examples, code of ethics and transforming the organisation's ethos. These suggestions are also randomly highlighted by Susan Rose-Ackerman (1978) in her book entitled <u>Corruption: a study in political economy</u>.

Both Klitgaard and Ackerman make these suggestions with regard to government bureaucracies. Thus in the NGO sector they may mainly be useful where the organisations are designed in a bureaucratic pattern.

For that reason most of these suggestions may not easily be applied by donor agencies to check NGOs which are not situated in the same geographical areas as themselves. To apply these hints efficiently the donors would need to either operate in the same geographical area or have representatives in their client NGOs who implement and monitor these measures. In that way the use of evaluators, temporary and permanent representatives and consultants which we have seen in section 4.1. above, is of paramount importance to check corruption in the NGO sector. Following all the measures may be costly since a donor agency would need to pay these evaluators, consultants, and representatives.

Nevertheless, these suggestions mean, that, where NGOs' ethical positions are not clear, prescribing conditions on the use of funds is not a sufficient solution to corruption among the NGO officials. As we have seen above, donor conditions have been

counterproductive in many ways. For that reason they may be used where other alternatives to check corruption do not seem to be applicable, and/or where those conditions would not jeopardise the intentions of developing and changing the welfare of grassroots people. In fact, conditions on how NGOs can use donations, as we shall see in chapter 6, should not be decided unilaterally. The donors, the NGOs and the primary beneficiaries, grassroots people, need to be involved in making such decisions. This can be necessary whether conditions are to be used to check problems of corruption or just to help in improving the development and change of grassroot welfare.

4.3.2. Other reasons why donors prescribe conditions for use of their funds

4.3.2.1. Undermining NGO experience

The tendency to provide funding with conditions attached may come from the donors' assumption that they have more experience than the recipient NGOs. Here the donors assume a patronising attitude thinking that if they do not do so the NGO staff members will make mistakes due to ignorance (Fowler 1997: 130).

4.3.2.2. NGO lack of experience and identity

Donors are usually strict over against NGOs which are lacking identity and proven experience. One draws this point from the fact that NGOs with strong convictions that the conditions which have been given to them by a donor agency are fallacious, can negotiate with their donors to put into practice what they see best for their situation only if they have a strong identity and proven experience of their work (Fowler 1997: 130). Thus donors see that organisations with limited or no experience can only use the funds well if the donors themselves, using their experience,

help the NGOs to plan their projects.

4.3.2.3. Lack of dialogue

According to Boulle, Johnson and Pieterse (1993), lack of
dialogue and engagement in the project planning processes between
the donors and the NGOs has also increased the tendency of donors
to put strict conditions on, and have too many expectations from
them.

For NGOs a lack of dialogue results in a lack of information
concerning funder expectations. Thus they end up planning their
project proposals in ways which are not appealing to the funders.

Lack of dialogue and engagement may also mean that donors do not
have enough information from the NGOs. Donors then lack
confidence in their client NGOs. They may not be sure whether
they will be able to use their money in the intended way. Hence
they give their funds with conditions and expectations of what
they themselves think is the right way of using their funds.
Lack of dialogue and engagement, then, results in a lack of both
confidence and trust between the donors and their clients.

4.3.2.4. Duration and size of project proposals

The merits and vision of the project proposals can be inhibited
by the duration of the project or programme as presented to the
donors. According to Edwards and Hulme (1992) long-term project
proposals are hardly appealing to the donors.

In the eyes of donors these project proposals "lack ... rapidly
visible results and a flexible approach". They also have a long-
term framework which may be thought of as being prone to be
affected by environmental, social, economic and political
conditions. "The donor clamour for replicability and quick

results goes against such an approach" (Edwards and Hulme 1992: 188).

Thus long-term project proposals are likely to be turned down by donors because of their wish for quick results and the tendency to think that whatever is put forward in the proposals of the NGOs must be in line with what they know already (replicability), hence something for which success can be predicted.

4.3.2.5. Decentralisation of decision-making

Another contributing factor to the problems of funding is the decentralisation of decision-making and management responsibilities of the NGOs in their localities. The more decision-making and management become decentralised, the more decisions and management accountabilities become prone to complications which bring about reservations in trustees and donors.

On the one hand, these complications are a result of the multiplication of accountability for the decisions as the accountability is delegated to more than one staff member or group of stakeholders of the organisation at grassroots level. Edwards and Hulme indicate this point when they say

> Decentralisation of decision-making brings increased
> difficulty in ensuring adequate accountability to
> trustees and ultimately donors and beneficiaries, for
> the effective application of funds managed. (1992:
> 135)

On the other hand, the problem emerges from the mechanisms of funds' solicitation. As a result of decentralisation, funds solicitation may go through different people. Some of these people may bring complications into the process. Thus in the end the process comes with sets of complications which may discourage donors, trustees and beneficiaries.

4.3.2.6. Multilateral funding

Conditions imposed on the NGOs when receiving funds from international donors may not only come from the donors themselves. Madeley (1991) observes that most of the aid which NGOs receive in Third World countries passes through the governments of those countries. Quoting Ozay Mehmet of the University of Ottawa he indicates that "bilateral funding is inappropriate to the task of egalitarian development" (1991: 109). Problems related to multilateral funding are made worse when NGOs are funded by more than one donor agency. Different donor agencies may impose different conditions which are multiplied when they pass through the governments.

Mehmet is of the opinion that funding should be "delivered directly to specific target groups without the intermediation of governmental organs in developing countries" (Madeley 1991: 109). This, in other words, indicates that some problems which NGOs are experiencing in the area of funding are due to the influence of governments in their attempt to control funding or behaviour of NGOs.

Sometimes this happens when a donor agency sees that a government has put in place a policy and supports projects financially which are in line with this policy. The donor agency may feel that by including the government in its funding process, the government may help to determine how the funds can be used properly. But in some cases this has led to governments controlling the way NGOs receive funds.

4.3.2.7. Funding discrimination

We have seen above that discrimination of recipient NGOs is due to informal relations which take place between the officials of the NGOs and the officials of the funding agencies. These informal relationships may emanate from political affiliations,

racial groups, geographical proximity and other social responsibilities and privileges which the officials of the two sectors sometimes share.

Here some influential officials of the funding agencies may propose conditions which specific NGOs may not be able to fulfil simply because of the donors' intentions to discriminate against them. Thus imposing conditions may be just a by-product of prejudice and hence discrimination against such organisations.

4.3.3. All partners contribute to the problems arising from the conditions imposed on the NGOs

We have seen that when international donors violate the autonomy of their clients, it is not only because of mere arrogance or a sense of superiority. They are influenced by factors coming from all partners involved in the work of the NGOs: the donors themselves, specific staff members from both the donor agencies and the NGOs, the NGOs themselves, the governments of the countries in which the NGOs are operating and situations where multilateral funding is practised.

This means that if we propose ethical values directed at improving the work of the NGOs, all three major partners need to be considered.

In the next chapter we shall begin with the search for ethical criteria. We will contrast the impact of the state and the impact of the donors on NGOs in terms of the ethical deficiencies which are found in each of the three partners. This will be done by analysing what we have learnt about these partners and their interactions. After this analysis we shall embark on investigating the ethical values which the three partners together with their primary beneficiaries, the grassroots people, can adopt. The task of searching for such ethical values will be undertaken in chapter 6.

4.4. Summary

Our study has shown that donors can be governments, individuals, businesses or Northern NGOs called international donors. This study has focused on the conditions imposed by international donors on NGOs.

International donors attach conditions to their contributions concerning the way they want their funds to be used. When these conditions are good they have a positive impact on the work of NGOs, but when they are bad, the effectiveness of the NGOs deteriorates. Hence they are seen as having a negative impact on the work of the NGOs.

Bad conditions undermine the knowledge and experience of the NGOs staff members at grassroots level. Whether donor conditions have a positive impact or not, the fact remains that they violate the autonomy of the NGOs in their work.

Two methods of funding have been used by international donors, namely project funding and programme funding. Though the latter has generally been seen as an alternative to the former, in both cases donor dominance over NGOs has been evident.

In general, practical problems experienced by NGOs due to donor dominance include: administrative burdens; lack of reliability of funders or funds; time pressure due to expectations of quick results by the funding agencies; discrimination of NGOs to be funded; NGO staff insecurity, and creation of dependency in the NGO sector.

But donors do not impose these conditions without reason. We have discovered distorted ethical positions of NGOs as the basic reason why donors impose conditions on how NGOs should use their donations. Other reasons include: inflated self-esteem in the donor sector; NGO lack of strong identity and proven experience; their tendency to make long-term project proposals; their

decentralisation of decision-making and management responsibilities; influences from multilateral funding and project planning processes (which include governments); discrimination against certain NGOs by donor agencies and lack of dialogue between the donors and the NGOs.

Looking at corruption as a growing problem in the NGO sector we have observed that it cannot only be overcome by conditions which donors impose. Other measures which are used by government bureaucratic systems need to be used in the NGO sector also. Thus we have suggested that conditions should only be imposed where there are no alternatives and/or where they do not seem to jeopardise the work of developing and changing the welfare of grassroots people. We have also suggested that wherever conditions are formulated, these must be negotiated between the partners.

When we propose ethical values to improve the effectiveness of the work of NGOs, our consideration must be directed at all three partners. But the ultimate aim of searching for such ethical values is to improve the work of enhancing the welfare of grassroots people. The task of searching for such ethical values is to be undertaken in the next two chapters.

5. THE IMPACT OF THE STATE AND THE DONORS: A CRITICAL COMPARISON
AND ANALYSIS WITH RESPECT TO MISSING ETHICAL VALUES

5.1. Introduction

At this point it should be clear that both the state and and the
donors have different impacts on NGOs. In some cases the impact
is negative, while in some it is positive. Taking South Africa
as our example, we have seen that the state may attempt to limit
the numbers and activities of NGOs. This may happen due to
outright bannings, harassments, denying fundamental freedoms such
as freedom of speech and above all, limiting fundraising
activities of the NGOs through structures and systems such as the
law. This may also happen through the random political behaviour
of the state, which Fowler (1997) calls the unpredictable
behaviour of the state. India has, by and large, revealed that
a state which is democratic and open for social reform has a
positive impact on the NGO sector.

Our study on the impact of donors on the NGOs has revealed that
the negativity of the impact comes from the conditions which are
attached to the donations which they impose on the NGOs. We have
also observed that these conditions do not only come from the
fact that the donors are undermining the knowledge and experience
of the NGOs. There is also evidence that sometimes the conditions
are a result of the weaknesses which the donors foresee and
observe in the NGO sector and/or the misunderstandings or poor
communications which occur between the two partners. Where
multilateral funding is practised, governments may take part in
the imposition of the conditions on the NGOs.

This leaves us with the impression that relationships between the
state and NGOs on the one hand and donors and the NGOs, on the

other, are cluttered with problems. At their worst, these problems affect the primary beneficiaries, the grassroots people.

The three sectors cannot stop colliding with each other. States which are not open for democratic reform think that NGOs are operating in an area for which the overall responsibility is in their (states) hands (Arrossi et al 1994: 42). NGOs think that they have the moral responsibility to look after the poor who are suffering in the civil society and who seem not to be reached by the government's initiatives to alleviate poverty in the society.

Commenting on the relationships between the state and the NGOs Korten points out that both these partners have competencies conducive for the development of the poor.

> Conversely, excessive emphasis on any one (e.g. the state) to the exclusion of the other(s) (e.g. the NGOs and the donors) will seriously limit authentic development, as has the excessive emphasis on government over the past several decades. (1990: 98)

Korten also indicates that donors share the same public concern as NGOs. Furthermore, it is a general fact that non-profit organisations such as NGOs cannot operate without the help of donors. Apart from giving financial support to the NGOs, donors do the following: provide information about the changes of the society at macro level; support NGOs in public advocacy by speaking on their behalf for both international and national policy changes; provide confidence in the NGO through their financial and moral support (Moseley 1997: 80).

Edwards (1994: 120) sees external influence, such as that of the donors on the NGOs, as having the capacity to improve the performance of the NGOs with grassroots people.

The fact that the support of donors is much more than merely financial has led the NGO sector to change the term "fundraising", to "fund development" when fundraising is directed at the donors. In this case, "fund-raising" means that an NGO is just raising funds as a group which is asking for help from the

donors. The term "fund development" has been coined with the consideration of the idea that funders are a strong pontential partner of the NGOs; they are not just helpers of NGOs. They are a group of people whom the NGOs try to invite to the organisation and make them feel that the organisation is their own. This, in other words, is one way through which non-profit organisations expand their effectiveness (Drucker 1990: 65-66).

This means that the collisions which take place between the three partners, is not merely a matter of fighting for authority. It is a failure to build collaboration between these partners. NGOs, governments and donors do not only have a concern for the civil sector, they also need each other. This need is not only for their mutuality. It is a need which is instrumental for the practical effectiveness of the work of NGOs - the development and changing of the welfare of grassroots people.

This makes it necessary to develop proper ethics to minimise the confrontation which occurs between the three sectors when they meet in the civil society.

To do this we need to compare the impact of the state with that of the donors on the NGOs. Thus, as we have indicated at the end of the previous chapter, we will attempt to answer the question: To what extent are these impacts similar and to what extent are they different in terms of their ethical deficiencies? Hence, to what extent do they need the same ethical values in order to enhance the development work which the NGOs are engaged in at grassroots level? This will save us from repeating ourselves, as we study these ethics. In areas where NGOs, governments, donors and the grassroots people are involved in multilateral relationships, the awareness of difference and similarity in ethical values and practical behaviour may also lead to mutual respect for each partner. Moreover, such an investigation will put us in a better position to understand ethical values which NGOs are likely to need when they to turn to donors as an option whenever the state becomes unfriendly to them.

It should be noted that wherever the term "four partners" (meaning the state, the NGOs, the donors and the grassroots people) is used, the issues in question are not only applicable when all four partners are in collaboration. They are applicable even where the partnership is composed of less than the four stakeholders. This applies to both chapter 5 and 6.

5.2. Similarities between the impact of the state and that of the donors

5.2.1. Top-down power dynamics

Top-down power dynamics occur when the dominant powers assume the position of knowing things better than those under them. With that assumption the major powers would manipulate the behaviour of those under them, e.g. by funding and training them (Princen and Finger 1994: 32).

Relating this analysis to our observation concerning the relationships between the state and the NGOs, we find that, more often than not, top-down power dynamics characterise the reality of these relationships – especially where the government is not open for social reform. This is the same with the relationships between the NGOs and their donors when donors are not open enough to listen to their client NGOs, or to the ideas of their primary beneficiaries, the grassroots people. Kajese says:

> Judging by the fact that the basic relationship between international NGOs and indigenous NGOs is conditioned by the former's wealth and status as "donor" and the latter's financial poverty and status as "recipient," I strongly suspect that, for the international NGOs, the nature of the partnership is, at its most benevolent, that of "junior/senior" partner or at its most malevolent, that of "horse and rider." (1987: 80)

Our observations in chapters 3 and 4 indicate that while states tend to dominate the NGOs through limiting and controlling their

operations and numbers, donors dominate the NGOs by attaching conditions to their funds.

The problems connected with this form of power relation are threefold: First, the power dynamic leads to the assumption that the dominant powers have the capacity to lead the local people. For donors, this may happen because of the belief that NGOs are dealing with areas which they (the donors) have mastered through their world-wide experience. For the state, as we saw in section 3.1., this may happen because state officials feel that the NGOs are dealing with areas for which these officials have an overall responsibility and experience (Arrossi et al 1994: 42). With this assumption, the states and the donors do not only undermine the NGOs officials, but also the primary beneficiaries, the grassroots people themselves.

Princen and Finger observe that evidence has shown that it is not true that the major powers have all the answers to the problems people are experiencing in their localities. Major powers, such as governments, tend to focus their attention on macro-socio-economic and political issues such as military security, trade and monetary relations - areas which are not concerned with the people on the ground who are busy solving problems of their daily bread and butter (1994: 30). Because of this focus, the concern of governments is to defend the status quo.

In the case of donors

> In part, this [failure to deal with local problems] is
> the problem of scale: large donors tend to promote
> large projects that are capital intensive and depend
> on foreign technology. But it is also a problem of
> distance and cultural ignorance: donors cannot
> possibly know all that is necessary to fit their
> projects to the local needs. (1994: 32)

Second, the question of distance and cultural ignorance, which Princen and Finger (1994) mention, means that top-down power relations may suffer the problem of undermining the cultural and social plurality which is a common phenomenon in the world. Thus governments and donors may generalise their dealings with NGOs without taking into account the fact that societies at local

community level have different needs. This again implies that these major powers do not only undermine the status of the NGOs, but also the grassroots people themselves, since the cultures which these powers ignore are theirs.

Third, the problem is with the concept of "power" itself. The question is asked: Of what use is state or donor power, if it does not lead to overcoming problems which the poor people are experiencing? Of what use is it if it undermines the experiences of the NGOs and the primary beneficiaries who are in direct contact with the lives of the poor?

If the exercise of power does not lead to overcoming problems which the poor are experiencing, its primary intentions are rendered futile. Thus the top-down power relation between the NGOs people and the state and the donors, as noted in this study, could be seen as useless wherever it leads to limiting the effectivess of the sector. Such would also be the case wherever the top-down power relations are existing between the NGOs and the grassroots people.

In addition to these problems, I think that the top-down power dynamics are of dictatorial nature. This is particularly visible where the state behaves in a militant way - where harassment and banning of organisations by the state are common. When the donors tend to dominate the NGO officials and grassroots people, telling them what to do without respecting their experiences and knowledge, they can also be taken as behaving in a dictatorial way.

This analysis of top-down power relationships leads us to the understanding of the contradiction in the principles of the donors - especially those who donate their money with the intention of freeing the grassroots people from the oppressive forces and structures of their societies. While these donors may be seen as advocates of democracy vis-a-vis dictatorship, they are themselves dictators by the way they treat their NGOs and the

grassroots people. This may happen mainly where the communication between the donors and their client NGOs is not well-organised.

The second problem in terms of the dictatorship of the donors and the governments, lies in the fact that authors like Fowler (1997) have highlighted: taking away the autonomy of the NGOs and the grassroots people. By losing their autonomy, the NGOs and the grassroots people become captives of state and donor domination. The NGOs and the primary beneficiaries have lost their freedom when they are forced to submit to the state and the donors. This is evident when the NGOs feel insecure. For example, they do not know what to do when they are caught between following the conditions of their donors and responding to the needs of the people they are dealing with at grassroots level. They also do not know what to do when they are confronted by the need to help the people at grassroots level while the expectations from the government are preventing them from doing so or limiting their activities.

If we compare the impact of the state and the donors on NGOs and the grassroots people, we observe that both impacts are based on organisational relationships which take the form of top-down power dynamics. The impact of both the donors and the state undermine the capacities, knowledge and experiences of the NGOs and the grassroots people on the ground; ignore the plurality of cultures and social conditions in the world; undermine the function of the term "power" itself due to the ineffectiveness of these relationships; and above all, manifest the dictatorial behaviour of the state and the donors which contradict the principles of democracy and make NGOs and the primary beneficiaries, captives of government and donor domination.

5.2.2. Suspicion

One thing common to the influence of the state and the donors on non-governmental organisations is suspicion. Our South African

example has shown that the tendency of the government to ban and limit the NGOs and their activities was, by and large, due to the suspicion that the NGOs would bring foreign influences into the country. Suspicion could also come from the state's uneasiness with the attachments which the NGOs have with their clients in the civil society. The state may be suspicious that NGOs will influence civil society to fight for change. As we saw, this is common with governments which are not open for social reform such as South Africa during the time of apartheid.

But suspicion regarding the relationships between the state and the NGOs does not only come from the side of the state. NGOs may also be suspicious of the state's behaviour, especially in circumstances where it is generally known that the state is hostile and where NGOs may feel insecure. Such suspicion may also be found in the grassroots people who are attached to the NGOs.

The case of Malawi, as experienced by Oxfam, should be indicative of NGO's suspicion of the state. As explained by Fowler (1997), Oxfam knew that if it revealed that the research it was making on poverty in Malawi was going to be used for giving information to overseas organisations, the local governments were not going to approve it.

The same is the case in the example of the behaviour of the NGOs in Indonesia where the term "non-governmental organisation" was seen as referring to anti-government organisations. NGOs had to hide their identity, for example by calling themselves community self-reliant groups because of the fear that if they used the term NGO, they would be harassed by state officials.

In both the case of Malawi and of Indonesia we find that the NGOs are camouflaging their identity because they suspect that the state will not accept them. So while the state tends to suspect the NGOs of threatening its policies, the NGOs become suspicious of the state because of fear.

There is a similar problem in the case of the relationships between the donors and the NGOs. Donor suspicion concerning the behaviour of the NGOs can have different reasons. When donors are not convinced of the knowledge and experience of their clients, as Fowler (1997) claims, they are likely to suspect them of having a low management capacity, thus being inefficient in the use of the funds they give them. Suspicion may also come from donors who doubt the ethical integrity of NGO officials. This is mainly true with respect to the problems of corruption which we have mentioned in chapter 4, section 4.3.1. Donors may not be sure about the ethical position of some organisations, e.g. those which are just emerging (Fowler 1997: 143). Hence they either provide the funds with conditions attached, or they withhold them.

But conditions provided by the donors make the NGOs feel insecure and uneasy on how they should use the funds. As we saw in chapter 4, section 4.2.6., Boulle, Johnson and Pieterse (1993) point out that NGOs find funders' planning priorities opaque and, as a result, they experience insecurity which results in tensions between the NGOs and their funders. This means that there are cases in which NGOs can be suspicious of their donors - fearing what the donors will do if they find that their funds have not been used in the way expected.

In some cases such fears may emerge where the NGOs are caught between pleasing their primary stakeholders (clients) and their donors. In such cases while the NGOs may see the need to respond to the needs of their clients, they find themselves unsure as to whether their donors will be content with the actions they undertake.

As in the case of the relationship between the state and the NGOs, this means that while, the donors can be suspicious of how their funds are going to be used by the NGOs and the primary beneficiaries, the NGOs and the primary beneficiaries can be uncertain whether their funders are going to be happy with the

way they have used their donations. No wonder that unnecessary tensions are sometimes part of life in the relation between the NGOs and their donors.

At this level again we see that both state and donor impact on the NGOs are similar. The similarity lies in the fact that both the state and the donors have a negative impact on the NGOs because of the suspicions which occur in the course of the dynamics of their partnership. In both cases, NGOs and the grassroots people become suspicious because of their insecurity, concerning the intentions of the state or the donors.

5.2.3. Lack of appreciation

At the beginning of this chapter, we have seen that NGOs, the state and the donors do not only have concern for the civil society, they also need each other. But despite this fact, the three sectors are often in confrontation. This brings us to the conclusion that, though they need each other, they have hardly come to the point of appreciating each other's role in the civil society.

In chapter 2 we learnt that the significance of the NGOs in the society is that they are complementary or reformatory in relation to government policies. In their capacity as complementary organisations, NGOs in general are hailed for their ability to fill the gaps and provide the facilities and services which the governments are not able to provide for their citizens. In being reformatory in relation to government policies, NGOs represent the interests of groups they work with at grassroots level. NGOs may also work with the state to change or improve their policies.

One would assume that this task is worthy of being appreciated by the state. But as this study shows, this has not always been the case with most of the states which are not open for social reform. Instead of appreciating the complementary and reformatory

role which the NGOs are taking, these states may be hostile to them, to the extent of harassing and banning their operations.

Palmer and Rossiter indicate that the NGO sector is full of complacency about its experience in development issues. NGOs tend to be proud of the effectiveness of their work to the extent that they take themselves as authorities of development. They formulate development theories and engage in social awareness programmes as if they were an end in themselves. With this self-esteem, NGOs have more often than not been confined to their own sectors, setting up their own agendas without consulting or working with local state officials (1990: 36-50).

Wherever this holds true in the case of NGOs, it can be said that it is not only the state which has failed to appreciate the presence of the NGOs. These organisations too, have failed to appreciate the presence of the state in the areas they work. Korten stresses the interdependence between the NGOs and the state in the civil society, and indicates that unreasonable claims to sovereignty or autonomy on either side to the exclusion of the other will seriously limit genuine development (1990:98).

Lack of appreciation has also been part of the partnership between the NGOs and their donors. As we have seen above, Princen and Finger observes that international aid usually fails to be effective because of the top-down power dynamics. The donors ignore the importance of the experiences of the NGO officials and the fact of difference of cultures between the localities where the NGOs are situated and the localities where the donor agencies are situated (1994: 32). We have also seen that Fowler (1997) has observed that the donor officials undermine the knowledge and experience of the local NGO officials. Donors fail to appreciate the knowledge and experience of their clients. They fail to appreciate the fact that the NGO officials, and the grassroots people themselves, are the ones who understand the local cultural and social values and needs best.

Furthermore, donors give their funds with the intention of developing and improving the social welfare of the grassroots people. But donors fail to be grateful that the NGO officials at a local level act as their agents to fulfil these intentions.

On the other hand, it should be noted that there are situations in which NGOs, and perhaps grassroots people too, have behaved in a way which reveals lack of gratitude to their donors. This would be evident in situations where NGOs, together with the grassroots people, have simply treated their donors as targets for fundraising. In such situations donors are simply contacted when help is needed. There is no on-going communication between the the NGOs and the primary beneficiaries and the donors in question.

As we have seen at the beginning of this chapter, Drucker (1990) indicates that some NGOs have changed the term "fundraising" to "fund development" so that donors are not just treated as helpers but integrated into the decision-making and planning of the projects and programmes which the NGOs are undertaking at the local level. In other words, donors are made to feel that they have ownership in those projects and programmes. Through such integration NGOs, together with the intended grassroots beneficiaries, would show appreciation for the support of their donors. In practice this may involve regular exchange of information between the NGOs and the primary beneficiaries and their donors. In such exchange of information, NGOs and the intended beneficiaries may send reports on issues concerning their policies, practices, priorities and work they are undertaking in their localities. Such communications could include visits of donor officials to see the work which their clients have been doing.

While it has been a common practice that donor officials visit their client NGOs, critics would mention that such visits are not always motivated by a sense of true partnership, or in appreciation of the partnership between the NGOs and their

donors. Officials from donor agencies sometimes visit their client NGOs without being invited by them, simply to investigate whether their money is properly used. "They send out evaluators, usually hired from their countries, and visit the programmes annually for a few days" (Fernandez 1987: 47). Such visits take us back to the problem of top-down power dynamics accompanied by a lack of trust by donor agencies.

The kind of visits we are proposing here are those which emanate from true partnerships, whereby the NGOs together with the grassroots people invite their donors not only as a sign of acknowledging their accountability, but as a sign of appreciating their assistance and partnership.

A further development emanating from these visits has been the sending of young people to work as volunteers in the NGOs by the donor agencies. Palmer and Rossiter ask:

> Are they (Northern NGOs which act as donors to the Southern NGOs) using the South as a dumping place for young, unskilled volunteers in the manner of the colonial empires? (1990: 46)

Here again, if these young people are not sent as a result of the invitation from Southern NGOs themselves or due to the flourishing of the partnership between the Southern NGOs and their donors, their presence in the Southern NGOs can be seen as part of the the intricacies of the top-down power dynamics which take place in the relationship between the NGOs and the primary beneficiaries and their donors.

Again here our concern is that if such young people are invited by Southern NGOs and the grassroots people themselves through fund development relationships which take place between these partner stakeholders, the invitations would be a sign of appreciation from the Southern NGOs together with the intended beneficiaries, to their donors for the partnership existing between them.

What all this means is that communications which take place between the NGOs and the grassroots people and their donors through the initiatives of the donors themselves cannot be taken as depicting the appreciation of the NGOs and the grassroots people to their donors, unless this is done through the mechanisms of mutual respect between the two partners. Thus even in the presence of such communications we would still claim that NGOs and the grassroots people fail to show appreciation to their donors for their contributions.

NGOs, together with the primary beneficiaries, which have not translated their fundraising activities into fund-development strategies, have not learnt to appreciate their partnership with their donors. Because of a lack of appreciation the NGOs and the grassroots people may not inform their donors about their concrete experiences and concerns. All that the donors remain with are speculations, which sometimes take the form of suspicions about poor management of their money. The cause of such a negative development is the giving of funds with conditions attached which depict donor-dominance over the NGOs and the grassroots beneficiaries. The extreme consequence of such developments is the conflict between the two partners or the withholding of funds by donor agencies.

Lack of appreciation is a problem which all the partners concerned may have failed to deal with constructively. The state fails to appreciate the complementary and reformatory roles of the NGOs and the ideas of the grassroots people; the NGOs fail to appreciate the state's knowledge and experience about its citizens and the law and order and development responsibility it has for them. The donors may fail to appreciate the knowledge and experience of their clients and the fact that their clients act as their agents to fulfil their intentions to develop and improve the welfare of the grassroots people. The NGOs and the grassroots people themselves may fail to appreciate the good intentions of their donors, treating them simply as providers of funds and not as significant stakeholders who share in the ownership of the

organisations and the activities they are undertaking. They may not appreciate them as partners who share the same public concern with them.

5.2.4. Lack of an altruistic spirit

The demand for an altruistic spirit is that people help others without expecting any return from the assistance they give. An example of this kind of spirit could be found in the narrative of the Good Samaritan.

In this narrative two types of moral character traits are found. First a man is going down from Jerusalem to Jericho. Thieves attack him, injure him and leave him half-dead. A priest passes by and, instead of helping the injured man, he continues on his journey. Then a Levite comes. He finds the injured man and then continues on his journey. But when the Samaritan comes, he binds the wounds of the injured person and brings him to a place where he is taken care of. The following day, as the Samaritan leaves, he gives money to the hosts and says, "Take care of him, and whatsoever you spend more, when I come again I will repay you" (Lk 10:30-35).

From this story, we learn of the two moral character traits. First the priest and the Levite are concerned about their own lives and not about helping others. Second, there is the Samaritan, who spends his time and his money on the concerns of another person, without expecting any return from the assistance he gives.

Without going into detail, the story of the Samaritan illustrates that one thing which may be lacking in the state-NGO and donor-NGO relationships.

In relation to the negative impact of the state on the NGOs, we have learnt that the state imposes the kind of limitations they

do on the NGO sector because of the concern to defend its politics. In some cases, even where a state has tolerated the operations of the NGOs it may do so with the condition that such NGOs do not tamper with their politics. In other words, this means that the state is concerned with its political power, and does not honour the good will of the NGOs to engage in developing and improving the welfare of the grassroots people.

Such a state can be regarded as behaving in a selfish manner. In ethical terms it could be defined as lacking good will or an altruistic spirit.

The same could be said with reference to the donors. Donors, whose sole concern is their money and who impose conditions which tamper with the good will of the NGOs, are also behaving in a selfish manner and are lacking in good will or altruistic spirit.

This sometimes happens where the Northern NGOs act as donor agencies for Southern NGOs. Answers to the following questions should reveal the substance of this claim:

> Are Northern NGOs donating and swamping Southern NGOs with their power and resources?
> Are they exploiting Southern NGOs for their own benefit, consulting or ignoring them at will?
> Are they setting far too many agendas and calling an endless succession of unwanted meetings on the crisis in Africa?
> Are they using the South as the dumping ground for young, unskilled volunteers in the manner of the former colonial empires?
> Are they seeking in ways subtle and unsubtle, to perpetuate neo-colonialism?
> In the more crass cases, are they spies, seekers of lost souls or soi-disant exporters, selling their country's goods, notably vehicles?
> (1990: 46)

These guiding questions indicate that our popular assumption that donors share the same public concerns with their clients may not always be true. There are donations paid with selfish reasons.

It goes without saying that where client NGOs or primary

beneficiaries are made to adhere to conditions that are given as a result of these selfish impulses, chances are high that such conditions will have a negative impact on the effectiveness of the work of the assisted NGOs or the primary beneficiaries. Thus we conclude that the negative impact of donors is sometimes caused by the selfish caprices of the donor agencies.

Furthermore, the selfish impulses of the NGO sector itself can destroy relationships with both donors and governments. This is in respect to the allegations of distorted ethical positions and corruption which we have discovered in chapter 4.

Opportunism in NGOs officials is a sign of selfishness. Funders who detect or suspect the existence of such characteristics would undoubtedly impose conditions when giving their funds. If these conditions tamper with the selfish whims of the NGO officials, conflicts may arise which disturb the effectiveness of the NGO work.

The same is the case with regard to the relationships between the state and such NGOs. NGOs with politically or economically opportunistic intentions may deliberately engage in confrontations with the state simply because their political or economic ends are not met. This may lead to intolerant behaviour from the state toward the NGOs in question.

So the selfishness of some or all of the three partners may have a negative impact on the NGO work with the grassroots people.

5.3. Different in motives and similar in practical implications: a summary and concluding remark

Our main concern in this chapter has been to compare the impact of the state with that of the donors on NGOs. This has been done with respect to the ethical deficiencies among the three partners. So far our analysis has discovered that the two impacts

are similar in that they are both influenced by top-down power dynamics, suspicions, lack of appreciation and lack of good will lingering in the concerned partners. But do the two impacts differ in any way?

Yes, despite the similarities we have seen above, there are differences between the impact of the state and that of the donors on NGOs. First, Fowler (1997) indicates that, while the state officials are concerned with politics when they deal with NGDOs, donors are concerned with moral credibility.

This implies that the motivations of the state are based on politics. This has also become evident when we studied the impact of the state on the NGOs in countries such as South Africa, Malawi and Indonesia. In all these countries, NGOs had been looked at with suspicion due to the fear that they would tamper with the internal politics of the governments.

Donors are motivated by the intention to gain moral credibility under the banner of public concern. Those who donate their money, services and other things do so with the intention of helping those who are less fortunate than themselves. The more effective their donations are in helping their targeted primary clients, the more they see their intention fulfilled.

While this difference remains intact, the practical implications of both motivations may be similar. Because of its politics, the state treats the NGOs together with the primary beneficiaries, the grassroots people, with top-down power. Similarly, because of the wish for moral credibility, donors treat NGOs together with the grassroots people with top-down power. For a similar kind of motive the state and the donors become suspicious and lack appreciation and good will.

This discovery brings us to two conclusions. First, though the motives may be different, the practical results may be the same. The difference in motive entails only the fact that the state and

donors are separate sectors. In other words, while the state belongs to the government sector, the donors belong to civil sector. Thus we conclude that the government has its own motive – politics. The donors as part of civil society have their own motives – moral credibility. But at a practical level, i.e. at an impact level, they may be similar.

Second, while we know that the motives of the state and those of the donors and the NGOs are different, our proposals on ethical values, which should be respected by all partners, should be the same for all three partners and the grassroots people. Thus we will attempt to persuade them to forget about their selfish motivations. When it comes to development and enhancing the welfare of the civil sector, their motives and goals must be the same. As we have seen in chapter 2, the goals compatible with the life and struggles of the civil society are those of grassroots development which are manifested through the following: empowerment; participation of the primary stakeholders in the decisions and activities which concern them; sustainability of the development activities, and the environment and leverage of the people over against the national and internation world. To acquire this motive, all three partners together with the grassroots people would need to overcome the problems of top-down power dynamics, suspicion, lack of appreciation and lack of good will which we have observed above.

As our analysis has indicated, all three partners, and probably the grassroots people where participatory development is the primary consideration, have contributed to the existence of these problems. All three partners are then required to respect the ethical values and practical means which we will propose as aids to overcoming these problems.

Following these requirements our task in the next chapter will be to describe the ethical values which should be adopted by all three partners.

CHAPTER SIX

6. THE STATE, NGOs, GRASSROOTS PEOPLE AND THE DONORS AS A
COMMUNITY IN MISSION: A PRACTICAL CHRISTIAN ETHICAL REFLECTION

6.1. Introduction

In this chapter our concern is to establish ethical values which
can help the state, the NGOs, the grassroots people and the
donors to build responsible partnerships. Responsible partnership
in this case means that the partners are able to work together
to improve the lives of the grassroots people.

This is important because, as we have seen in the previous
chapter, though these partners are sometimes in conflict, they
share responsibility and concern for the grassroots people.
Moreover, they can be interdependent wherever the necessity
arises.

The task of establishing these ethical values will be done at two
levels: first we will try to establish how these partners can
understand each other functionally as partners coming together
for the development and enhancement of the welfare of grassroots
people. This will be done by using an ethics of community in
mission. Second, our task will be to attack the ethical
deficiencies which we have discovered in the previous chapter.
At this level we will attempt to propose ways and means through
which these deficiencies can be minimised.

6.2. Community in mission

6.2.1. Unity in diversity

The 1987 Overseas Development Institute Symposium in London understood good partnership in terms of North/South NGO collaboration as including

> mutual respect, trust, and equality; transparency or reciprocal accountability; understanding of each others' political/economic/cultural context and institutional constraints; openness to learning from each other and long term commitment to work together. . . . shared analysis of the problem, increasing communication . . . undertak(ing) mutual evaluation; . . .ongoing discussion...(Drabek 1987: x)

One would say that these, in summary, are the qualities which would denote the partnership which is needed to overcome the differences which occur between the state, the NGOs, the grassroots people and the donors.

The 1987 London Overseas Development Institute Symposium also suggested that good partnership between the Southern and Northern NGOs can be consolidated by drawing up a code of conduct. In my view, if such a code of conduct is to be meaningful for those who will adhere to it, it must be grounded in ethical values.

Because the ethical values we are proposing are directed to proper partnerships between the state, NGOs and their donors, the Christian ethical values which will do justice to this aim are those of community life.

In general, a community can be understood as a living social organism with many members cooperating for the common good. Some authors have defined the term with respect to its geographical and human mutuality aspects. The Collins Paperback English Dictionary defines community as, "the people living in a locality"; "the locality in which they live"; "a group of people having cultural, religious, or other characteristics in common..." (McLeod 1986: 172). Sociologists such as Schaefer and Lamm (1992) define the term community as, "A spatial or territorial unit of social organisation in which people have a sense of identity and a feeling of belonging" (1992: 546).

The inclusion of the territorial or geographical aspect is both fundamental and valid in defining the term community. However, our study here will eliminate that aspect. This is because the geographical aspect does not fit the general location of the three partners who are considered in this study: the state, NGOs and their donors. The offices or headquarters of the state officials may not be located in the same areas where the NGOs are located. Donors may be located in the Northern countries, while the Second Generation NGOs which they assist are situated in the Southern countries.

The aspect which sounds reasonable enough to be appropriated for our purpose is that of human mutuality. Our aim is to make proposals which will help the three partners to be bound by their mutually defined motives and goals of developing and changing the welfare of the grassroots people. We identify this community with Emilio Castro's concept: "community in mission" (extract of letter to the WCC Urban Rural Mission in 1979, in Lewin 1987: 208). Emilio Castro described "communities in mission" as communities which are not identified by geographical boundaries or social areas. Rather, they are communities described by their mission. In that way, the state and the NGOs or the NGOs and their donors may geographically live far away from each other. Yet, their common motives and goals provide a sense of togetherness, which through its dynamics provide a sense of "community in mission".

These partners interact reciprocally by sharing their different responsibilities for the grassroots people. This means that, even though having different responsibilities, they are bound by the same motives and goals. They abandon their individualistic political, acquisitive and selfish motives.

Our point is that their differences, cannot be taken as justification for division. Rather, they should be functionally understood as an opportunity for practical complimentarity. In that way, the partners together with the grassroots people, share

whatever they have for the common good based on common motives
and goals. Thus the partners have a "unity in diversity".

St. Paul elaborates this in his first letter to the Corinthians:

> There are many different gifts, but it is always the
> same spirit; there many different ways of serving, but
> it is always the same Lord. There are many different
> forms of activity, but in everybody it is the same God
> who is working in them all. The particular
> manifestation of the Spirit granted to each one is to
> be used for the general good. (1Cor. 12: 4-7 ff)

> For as with the human body, which is unity although it
> has many parts - all the parts of the body though
> many, still making up one single body - so it is with
> Christ. (1Cor. 12: 12 ff)

Commenting on the Christian morals of community life, David
indicates that in these verses Paul is giving directives of
community "interdependence and interrelationship". Paul is
denying "self-determinism or autonomous individualism" (1994: 95-
96).

This line of thought is also applicable to the partnership
between the state, NGOs, the grassroots people and their donors.
The fact that the state, the NGOs and their donors can be bound
by the motives and goals of developing and bringing out the
greater welfare of the grassroots people does not mean that these
partners lose their separate qualities. They still remain
distinct sectors. But paradoxically this distinctiveness does not
also mean that they should not be together when they deal with
the grassroots people. Rather these differences are, by and
large, functional for this aim to the extent that they are
interdependent.

6.2.2. Bound together by human need and faith in God

As the aim of the three partners is to improve the welfare of
people, it can be said that the aim is constituted by human
needs. This goes together with what we have learnt in chapter 2,

namely that the motives and convictions of NGOs are based on the humanitarian concern for the poor. In the same way, the unity of the state, NGOs and their donors means being bound together by the humanitarian concern for the poor grassroots people.

Nürnberger (1994, 1998) explains human needs in terms of three categories, namely basic, immanent, and transcendent needs. Basic needs are

> time, space, and power without which nothing can exist in this world. Immanent needs belong to the sphere of reality which is at least partially under human control, or accessible to human manipulation. They include ecological, physical, psychological, communal, social, economic and political needs. Transcendent needs go beyond human accessibility and control. They include an authoritative system of meaning, an authoritative assurance of one's right of existence and an authority to use the powers at one's disposal to achieve one's goals. (1994: 7 cf 1998: 237)

We do not need to go into details studying the NGOs again to analyze whether their work with grassroots people has something to do with basic, immanent and transcendent needs. But we remember that these NGOs have been found to be dealing with relief work. In relief work the NGOs provide both food and non-food items to the grassroots people during times of disaster such as famine, war or an earthquake. Where these needs are met, the NGOs go further in helping the people to engage in activities and decisions about things which affect their daily lives. They help the people to gain new mindsets which empower them to manipulate the world around them. The development of such mindsets to the extent that they become part of their daily lives and a means to make daily ends meet, provides meaning for their entire daily lives.

When NGOs engage in relief activities they meet immanent needs, for instance, where grassroots people are provided with shelter.

The same is true when NGOs help the people to make decisions and be involved in the issues and activities which affect their daily lives, for example to build roads, plant trees or build schools

in their communities. All these could be shared at the communal level and improve the ecological picture.

Satisfying these needs may yield meaning for daily living of both individuals and the community as a whole. Thus we conclude that they respond not only to immanent needs, but also to transcendent needs.

Since these needs concern the grassroots people, it is imperative that, following the idea of bottom-up, decentralisation or participatory development approaches, the grassroots people are at the centre of deciding what these basic, immanent and transcendent needs are according to their situation. So the grassroots people are not excluded from the "community in mission". They are not only a part of, but at the centre of this community. Otherwise, the community of the state, the NGOs and their donors stand on top of them, featuring a cluster of power which may make decisions which are not relevant to the grassroots people themselves.

When the state, the second generation NGOs and their donors come together, bound by the aim of developing and changing the welfare of the grassroots people, they are in fact bound by that aim to provide these needs. Nürnberger (1994, 1998) points out that the ultimate goal in fulfilling these needs is to bring about the "comprehensive wellbeing" of the entire human race. This is not only a goal for humans, but it is the goal primary of God's vision for the wellbeing of his people.

The unity of the state, the NGOs and their donors to provide for basic and immanent needs and to help them to acquire the means for transcendent needs is then the unity to participate in God's vision - bringing about "comprehensive wellbeing" to the human race. Thus we say that this unity is not only a unity for practical reasons. It is also unity attached to human fidelity to God. The unity is not only a mechanical bringing together of resources to make one whole machinery to provide needs to the

poor people. It is an act of faith.

6.2.3. When community in mission becomes impractical

So far we have seen that the differences in social structures and systems between the state, the NGOs and their donors are of paramount importance for the functional practicality of the work of developing and changing the welfare of the grassroots people. But sometimes this claim may seem over-optimistic.

In chapter 3 we discussed the situation in South Africa during the the time of apartheid, when the state was hostile to the NGOs. India, though largely democratic, also showed that wherever the state's intervention was too heavy the effectiveness of the NGOs work was impaired (Korten 1980: 481-482).

The same was observed in chapter 4 when we were examining the impact of donors on NGOs. Though linking conditions to donations can check corruption in the NGO sector, they often interfere in the NGO's dealing with grassroots people. The conditions may also deny NGOs of their autonomy. Fowler (1997) also observed that, when the donors make conditions when funding NGOs similar to the ones they impose on the governments, the results are disappointing.

Moreover, though Korten (1990: 97) is of the opinion that the state and the NGOs cannot do without each other, he also observes that these partners have different structures and approaches to development issues. Korten (1990 cf Frantz 1987: 122-123) observes that NGOs are based on small-scale consensus of values and beliefs in the civil society and concerned with micro-economic manoeuvres of the grassroots people. In contrast, states are based on large-scale consensus both at national and international level and concerned with macro-economic policies and manoeuvres.

What becomes evident from these differences in structure and interests is the fact that though the "community in mission" we have proposed above may come into existence with all the good intentions of partnership as our Christians values demand, there can be times when the primary aim of the community is forgotten due to two possibilities. First, the difference between the partners is constituted by a difference in convictions. For example, the state may coopt the NGOs to its machinery due its convictions that its large-scale agendas are more important than the small-scale agendas of the NGOs at grassroots level. The donors may be convinced that they have the right to ask the NGOs to give them all the information they need. The NGOs may also be convinced that since the state and the donors are together with them in the "community in mission" of developing and enhancing the welfare of grassroots people, the state and the donors must ignore all the work they are doing and be part of their agenda all the time. Even worse, though the state, the NGOs and their donors may form a good community they may make decisions and engage in activities without consulting the primary beneficiaries, the grassroots people.

Then, there might be times when such convictions may not be compatible with the needs of grassroots development and the enhancement of welfare. If such a clash of convictions occurs, there is a problem of criteria. Nürnberger mentions this problem as he reflects on the difference in political systems of society:

> Against which criteria can convictions be scrutinised?
> ...If one conviction is measured against the criteria
> of another, it will obviously be found wanting. It
> will also not easily accept the criteria applied. It
> will justify itself on the basis of its own criteria.
> That is the price we have to pay for living in a
> pluralistic world. (1998: 230)

Second, convictions may not be a problem. The state, the NGOs and their donors in consultation with grassroots people may all be convinced of the same focus. Yet, despite such consensus, having particular concerns and needs at particular times, the structures and systems of the four partners may not be automatically

compatible.

In both cases imposition of one conviction or system upon another becomes a possible problem. If this happens, the results are none other than the imposition of convictions by one partner on another. Nürnberger critically tells us that,

> Whether in the form of totalitarian terror, or in the form of psychological seduction, impositions destroy the dignity, the freedom and the responsibility of the human person. (1998: 231)

If our solution to the problem of difference in structures, systems, convictions and needs is to be based on impositions then, the intentions to develop and change the welfare of grassroots people may be jeopardised.

One suggestion which Nürnberger makes as a solution to this problem is *"critical dialogue"*. Critical dialogue becomes a process of discernment to assess whether the community in mission is not misled by other convictions arising outside it.

> There must be both self-critique within each conviction and mutual critique between different convictions. Critical dialogue between convictions can only take place in an atmosphere of transparency and trust. Participants must be willing to reveal their most fundamental assumptions and intentions to each other, and expose themselves to each other's critique. (Nürnberger 1998: 231)

Thus dialogue is the mechanism which challenges not only one party or the other, but all the partners involved in it. The state, the NGOs and the grassroots people may reveal their different convictions to each other openly and honestly, thereby revealing their fundamental assumptions and intentions to each other. In that way they challenge each other. Swearer says, "Real dialogue challenges both partners, making them aware of the presence of God, calling both of them to a metanoia from an unknown depth" (1977: 35).

Critical dialogue (real dialogue), then, is the move to be taken in overcoming problems arising from difference in structure,

systems, approaches to development issues, needs and convictions. The principle guiding critical dialogue is to find the best way of dealing with the mission at stake. This is possible by engaging both our uniqueness, commitments, convictions and concerns and those of our partners and seeing how these can be practically useful in the mutuality needed for our mission. In the case of the state, NGOs and the donors this mission is developing and enhancing the welfare of the grassroots people. Thus the central aspiration is that critical dialogue brings into fore the best way to deal with this mission.

It is possible that, for practical reasons, the three partners which make up the community in mission together with the grassroots people, may agree to separate in particular situations. If this happens, the implication is not that the community of the four partners has ceased to exist. The choice to separate is made out of consensus for practical reasons.

This kind of separation is indicated by Paul in his first letter to the Corinthians, as he comments on mutual responsibility and unity of a husband and wife. Despite the mutual responsibility the husband and wife have for each other, they can sometimes separate on the basis of mutual consent, (practically) for the purpose of having free time for prayer:

> You must not deprive each other except by mutual consent for a limited time, to leave yourselves free for prayer and to come together again afterwards; otherwise Satan may take an advantage of any lack of self-control to put you to the test. (1Cor. 7:5)

Paul sees the life of prayer as a component of life which must be accepted by both partners as important. They would then mutually agree to separate to give each other a chance to deal with their prayer life.

A point similar to Paul's warning, was made by Jesus:

> If your hand or your foot should be your downfall, cut it off and throw it away: it is better for you to enter into life crippled or lame, than to have two hands or two feet and be thrown into eternal fire. And

> if your eye should be your downfall, tear it out and
> throw it away; it is better for you to enter into life
> with one eye, than to have two eyes and be thrown into
> the hell of fire (Mt. 18:8-9).

We can understand the "community in mission" of the state, the
NGOs, the donors and the grassroots people as analogically
similar to the family. Thus separation may occur sometimes to
make the work of empowering the grassroots people more effective.

Later in verses 15-17 of Matthew 18, Jesus talks of brotherly
correction when a crisis arises. He proposes three steps of such
an approach: first, the two people concerned talk together in
secret; second, if the first encounter does not work, two or
three other people may be involved to corroborate the charge.
Third, if the presence of the two or three witnesses proves to
be in vain, the disagreement of the two must be brought before
the community.

Mutual agreement to separate for practical reasons is temporal.
"While we should respect each other's convictions, we are in this
boat together" (Nürnberger 1998: 231).

But whether the separation takes place on a temporal or permanent
basis, the fact remains that separation is justified only when
it helps us to practise our mission in the right manner. Hence
it is taking place for practical reasons. Such emphasis is seen
in Jesus's words in Matthew 18: 5-10:

> (v 5) Anyone who welcomes one little child like this
> in my name, welcomes me ...(v 8) If your hand or your
> foot should be your downfall, cut it off and throw it
> away... (v 10) See that you never despise any of these
> little ones ... (See that everything is done for
> practical reasons of caring for "these little one").

Thus in verse 5 Jesus is introducing us to the task at hand -
welcoming the little ones (poor people). In verse 8 we see him
telling us that, in order to resist evil, separation may
sometimes have to occur. In verse 10 he emphasises that the
occurrence of separation is for no other reason than that the

little ones are not despised.

We can translate this into participatory development ideals. Since the primary concern is for the "little ones" - the grassroots people - these little ones must be involved in deciding about such a separation. In other words, the grassroots people must be involved in deciding what practical ways the three partners can take to help them develop and enhance their welfare. While such practical ways may immediately emanate from the differences in structure, systems, concerns and convictions of the state, the NGOs and their donors, these grassroots people should also be involved in deciding what that practical way may be.

It should be clear that the concern of dialogue is to assess ways and means in which a community of diversity can render itself effective in its mission. The state, the NGOs and their donors as a community in mission, yet composed of members with different structures, systems, needs and approaches to development issues would need to adopt such an attitude: engaging in dialogue for the purpose of making its work of developing and enhancing the welfare of the grassroots people effective. Following the possible dynamics of such dialogue as we have learnt from the teachings of Jesus, Paul and the reflections of theologians such as Nürnberger (1998), such dialogue may involve a number of factors. They may follow the trend of self-critique and mutual critique among the concerned partners. They may result in agreements of temporal separation due to practical needs of the mission at hand. Where enduring evil is a threat or where disagreements endure, permanent separation may occur. However, before such separation occurs two levels of dialogue are worth considering: seeking private reconciliation and then mediation.

6.2.4. Liberation from top-down power dynamics, suspicion and lack of appreciation through critical dialogue

6.2.4.1. Top-down power dynamics

We have observed in the previous chapter that one problem of the partnership between the state and the NGOs is that the partnership is characterised by top-down power dynamics. The same has been the case in the relationships between the NGOs and their donors. Such power dynamics have been indicative of ethical deficiencies between the three partners due to the problems they engender, namely: undermining the capacities, knowledge and experiences of the NGOs on the ground; undermining the fact of plurality of cultures and social conditions in the world; undermining the term "power" itself due to ineffectiveness of these relationships; and manifesting the dictatorial behaviour of the state and the donors which contradict the principles of democracy and make NGOs captives of the government and donor domination.

If such deficiencies are to be overcome, NGOs need to be liberated from top-down power dynamics. As we have seen above, the partnership between the state, the NGOs and their donors can be modified by the ethics of "community in mission".

Among the characteristics of the community in mission has been that the partners recognise their mutuality as central to their mission. In my opinion, it is such mutuality which can be used to minimise the problems of top-down power dynamics. First, the members of such community recognise the importance of their differences. They discover that these differences are not a matter of superiority or inferiority. Rather, they are differences primarily important for the mutual practicality of the mission at hand.

By such recognition the partners discover each other as partners on the same level. But this cannot happen by mere cognitive discovery of the importance of each other. The partners themselves need to take initiatives for this to happen. Critical dialogue involves self-critique and mutual critique (Nürnberger

1998: 231). By such dialogue the partners discover the importance of their diversity. They also engage in the examination of their failures in the past. Gregson, as he reflects on principles of personal and social spiritual change, sees such examination as fundamentally characterised by "dialectics":

> Dialectics is the analysis and evaluation of the past of others' actions and postures in the light of one's own values. One must evaluate if one is to clarify one's own values in relation to the wisdom which is one's own inheritance . . . While dialectic of history coldly relates our conflicts, dialogue adds the principle that prompts us to cure them. (1985: 113-114)

Through discovering their diversity and dialectic evaluation of their past, partners learn to respect one another as one family bound together by their mission. Eade comments on the multilateral evaluation of projects between the NGOs and their donors.

> Of course, evaluation is absolutely fundamental; it has to happen and should never be ignored. But decisions cannot be made unilaterally, because so much depends on timing, practicalities, the choice of evaluators, and so on. Everyone involved needs to understand the objectives and agree with the choice of evaluation methods.(Eade 1997:90)

Dialogue as a form of coming together to overcome differences can also be seen in the light of the reflection on the top-down power dynamics in the industrial relations which Nürnberger makes by quoting II Cor. 8: 9.

> You know the grace of our Lord Jesus Christ, who being rich, became poor for your sake(s) so that through his poverty you might become rich (and are able to become poor with him to enrich others who are poor).(1988b: 209)

These words, complemented by the author's own words in brackets, make us aware that humility to come together and treat each other as equal partners is fundamental for our equality. This is important to overcome the assumption that our difference in roles and responsibilities means superiority vis-a-vis inferiority.

By discovering the aspects of our equality through coming together, and dialectically evaluate our past to discover our diversity and the importance of mutuality, we are able to move from our assumed superiority - inferiority differences. Thus, Nürnberger comments on the biblical demand above with respect to worker-employer, or rich-poor relations:

> The importance of this formulation lies in the fact that it expects two kinds of sacrificial moves: the potent are expected to move down for the sake of the impotent, while the impotent are expected to move up to a position of potency - and both act in responsibility for the well-being of the whole. (1988b:209)

The same principle could be applied to state-NGO and donor-NGO relationships. The superiority of the state and the donors and the inferiority of the NGOs can be overcome by taking the model of Christ's humility vis-a-vis the humility of those he came to save. Jesus humbled himself and ignored his status for the common mission of the Kingdom together with those he came to save. In the same way, the state, the NGOs and their donors need also to humble themselves and come together. This humility is paramount for the common mission of developing and enhancing the welfare of the grassroots people. But in addition to this common mission, such humility is, a mechanism to overcome the top-down power dynamics and to reach a form of relationship which Nürnberger terms "horizontal" (1988b: 200).

To the extent that overcoming top-down power dynamics is instrumental for the development and enhancing of welfare of grassroots people, any dialogue directed to this pursuit should also involve the grassroots people. This is especially true when we consider the fact that some top-down power relationships do not only undermine the power of the NGOs, but also the initiatives, contexts and cultures of the grassroots people themselves.

Such a common position is reached when partners in dialogue come to the stage of encountering what Forrester (1997) calls

"imaginative reciprocity". Forrester defines this term as "the capacity to think of oneself in another man's (person's) shoes, and see how the situation would look if roles were reversed" (1997: 232).

Discovering the importance of the convictions and responsibilities of others through "imaginative reciprocity" leads to an understanding of how each partner must be treated and respected. It is to be challenged by the golden rule: "So always treat others as you would like them to treat you; that is the Law and the Prophets" (Mt. 7:12).

This means that "imaginative reciprocity" in dialogical personal encounter shows us how others should be treated within the framework of justice. As such a need for justice emanates from critical dialogue intended to enhance the well-being of the poor it means automatically that justice is also instrumental in overcoming top-down power dynamics and the problems which they engender. Thus we conclude: "To live in justice leads to harmony"(Byrne 1988:8) and "Justice brings peace and harmony" (Forrester 1997: 230).

But though we may be confronted by the need to treat others in a just manner, it is not always easy to define justice in, proper and practical way. As we have seen above, one of the guiding rules for defining justice in the case of the partnership between the state, the NGOs and their donors is to make sure that whatever is decided will help in developing and enhancing the welfare of grassroots people. This has led us to the decision that the grassroots people themselves must be involved in making such decisions.

But involving grassroots people alone does not always solve the problem.

> Myths, superstitions, prejudices, delusions and
> ideological rationalisation abound among the the "poor
> and oppressed" or the "masses". Elevating them to the
> status of saints and sages, as some left-wing
> traditions did, just adds to the problem (of bringing

about democracy). The point is, however, that experts
and politicians, who have no experience of grass roots
situations, do not have the answer either. The
different levels should interact in such a way that
experts listen, inform and enable; ordinary people
evaluate and decide; politicians put into effect.
(Nürnberger 1998: 189)

Including grassroots people in deciding on the right way of
treating each other may be important. But grassroots people are
not necessarily always correct. Whatever decisions are made, in
trying to overcome top-down power dynamics we need "comprehensive
analysis". We do not only include the grassroots people, but also
experts who may be helpful in making those decisions and putting
them into the right perspective.

> To generate a vision of the whole we must process as
> much information as possible. For that we need to pool
> the resources of complementary human sciences.
> Interdisciplinary consultation between academics and
> practitioners in different fields should be formally
> institutionalised and funded on a wide scale.
> (Nürnberger 1998: 189)

For this reason, the question of mediation is at the centre of
critical dialogue directed at defining justice in terms of the
reciprocity between the state, the second generation NGOs, their
donors and their primary beneficiaries. This means searching for
what Nürnberger terms a "comprehensive vision of the whole". This
is the vision formed by interdisciplinary mediation. But such
interdisciplinary mediation should not be taken as a final step
either. Rather, it is a process which provides "sign posts which
guide designs and actions towards the envisioned future"
(Nürnberger 1998: 188).

In that way justice directed at solving the problem of top-down
power dynamics in the partnership such as those of the state, the
NGOs and their donors and the grassroots people cannot be
understood in terms of final rules or principles. Rather, it
should be seen in terms of continual reflection.

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6.2.4.2. Suspicion and lack of appreciation

In the previous chapter we also discovered that conflicts between the state, NGOs and their donors do not only come from top-down power dynamics. Other deficiencies were suspicion, lack of appreciation and lack of an altruistic spirit.

Without going into details, it is important to mention that critical dialogue, as discussed so far, can also minimise conflicts which come about through suspicion and lack of appreciation between the partners in question. Without critical dialogue there is no disclosure of convictions and concerns between the relevant partners. Hence it is impossible to know what the others believe or think. The partners would then remain in the world of guesses regarding the convictions, concerns and motives of the others. The partners may become suspicious. Critical dialogue displaces suspicion with trust.

But there may be situations in which trust may not easily be built through mere dialogue. This could happen in situations where trust beween different partners has been impaired by allegations of corruption. In this case, the partners would have no option but to apply the anti-corruption mechanisms which we mentioned in chapter 4 section 4.3.1. However, such measures do not replace suspicion with trust. Rather, it is confidence in the right use of resources, such as funds provided by donors, which replaces the suspicion which may exist among the partners.

In such cases the conditions imposed by the donors may not always be wrong. They may be useful in bringing about this kind of confidence. They may be useful as guidelines for accountability and transparency. But wherever these conditions are being proposed, there is a need that all the partners must be involved in establishing them. Thus we may see these conditions also as emanating from dialogue between the partners in question.

Critical dialogue may also be a useful tool to encourage

appreciation between the partners. In critical dialogue they learn their mutual importance for the goals which they are trying to achieve. They understand how one partner is complementary to the other and vice versa. Thus by realising the importance of each other they learn that there is enough reason to respect one another.

Dialogue thus becomes a comprehensive tool to minimise conflicts between the partners in question. By giving them an opportunity to define the notion of "justice", critical dialogue opens a room for peace and equality. It changes the system of top-down power from vertical to horizontal relations. By allowing them to discover the convictions and concerns of each other, it turns them away from suspicion. Trust takes over. With mutual trust, supported by mutual "justice" which is reflected upon consistently, they know that they are there for each other. They replace disparagement with appreciation. Thus dialogue becomes a practical tool for building a strong community in mission.

But where dialogue does not seem to be effective enough, mechanisms may be applied to minimise problems related to opportunism and corruption as seen in chapter 4, section 4.3.1. These mechanisms should be designed to replace suspicion with confidence in the right use of resources.

6.2.5. Goodwill or altruistic spirit and its genuineness

The problem of a lack of goodwill or altruistic spirit was also identified in the previous chapter as one of the core ethical deficiencies among the three partners.

"Altruism" or "good will" refers to people who help others without expecting any return from the assistance they give. This is exemplified by the story of the Samaritan who helped the injured person to recover from the wounds he sustained after being attacked by the robbers (Lk 10:30-35).

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Some people argue that there is no genuine altruism because people are always motivated by some kind of self-interest or the other. However, for us the important question is not whether motives are execlusively altruistic or not, but whether they are directed at enhancement of the wellbeing of the poor.

In humanistic terms such motives have been seen as directed toward bringing about "comprehensive well-being" of the entire human race. Thus we remind ourselves of one of the main points in chapter two, namely that NGOs are motivated by humanitarian convictions. In Christian terms this has meant participation in God's vision for his humanity. Thus such motives are seen in terms of human fidelity to God.

We therefore do have enough reason to claim that, since it is impossible to find an action without a personal motive, our task is to choose the right kind of motive. The right kind of motive is that which depicts our self-giving to the service of God's people, in terms of this study, the grassroots people who are the primary beneficiaries of the work of the NGOs. Hence it is a form of motive which means putting our Christian faith into practice. The golden rule in such a motive is depicted in Jesus' words:

> I give you a new commandment
> love one another;
> you must love one another
> just as I have loved you.
> It is by your love for one another,
> that everyone will recognise you
> as my disciples.
> (Jn. 13:34-35)

In 1 John 4: 7-8, we learn that love is from God, since God is love. Our loving each other is an imitation of God's love which he primarily showed by sending us his son: "My dear friends, if God loved us so much, we too should love each other" (1 Jn 4:11).

If then our question is to find out what kind of motives we need to have in order to present a genuine picture of good will, our point must be to stand for God's love so that the whole human race should "be glad and rejoice in his faithful love" (Ps.

31:7).

The picture of such love as a genuine motive of good will is seen when it is not only part of our practical actions, but also embedded in our hearts. "They will keep up the outward appearance of religion, but will have rejected the inner power of it. Keep away from people like that" (2 Tim. 3: 5).

When the state, NGOs, their donors and the grassroots people come together as one community in mission, the basis of their motive must be to participate in God's acts of love. Just as God loves his people, the altruistic spirit or good will of the partners in mission is seen in the way they share God's love among themselves. Coming together for critical dialogue and for the mission of developing and changing the lives of the grassroots people is

> to bind them(selves) together in love and to encourage their resolution(s) until they are rich in the assurance of their complete understanding and the knowledge of the mystery of God in which all the jewels of wisdom and knowledge are hidden. (Col. 2:2-3)

Practically, such love can be extended to virtues of mercy, compassion and generosity since all these are the virtues attached to God's love. The mercy, compassion and generosity of God is seen in the fact that his love is non-discriminatory. In that way he challenges the aspects of division and discrimination which are found in the state, NGOs, donor and community of grassroots people.

As we have seen the state, NGOs, donors and the grassroots community are characterised by diversities, not only between these different sectors, but also within the sectors themselves. Some NGOs are newly formed and without experience, while others are well-established and have long standing-experience; some may belong to the race or political affiliation to which their donors or local politicians do not belong and the same might be the case with grassroots people. As we saw above, diversities like these

have resulted in some NGOs experiencing difficulties in obtaining funds or government's approval, while others have had to terminate their operations.

If the partners learn to treat each other with God's love, mercy, compassion and generosity, such things can hardly happen. Treating and respecting each other cannot be based on long-term reputation or experience. Rather, the guiding feature for mutual support of any kind, is *need*. Whether an organisations is newly established or not; whether it belongs to one's race or political affiliation or not, support from its partners can only be given because it *needs* it. In terms of this study, this need is mainly defined by the fact that the partners in question do everything with the intention of developing and enhancing the welfare of the grassroots people. Thus, the need is not only that of the state, the NGOs or the donors, but above all that of the primary beneficiaries for which such a partnership exists. This is love for God, since God loves everyone the same way, even those who sin against him. This is also the teaching we draw from Jesus' parable of the labourers in the vineyard. The landowner pays everyone the same despite the time they start their work. He knows that whether one works longer or not, the fact remains that all the people who worked were *in need* of money (Mt. 20:1-16; and Forrester 1997: 233). Oxfam (1995) confirms this point in its code of conduct.

> Aid is given regardless of the race, creed, or nationality of recipients and without adverse discrimination of any kind. Aid priorities are calculated on the basis of *need alone*. (1995: 802)

The terms altruism or good will can be understood in terms of God's love. This love is unconditional and practically involves mercy, compassion and generosity. God gives his love to everyone who needs it even if s/he does not seem to deserve it.

The greatest commandment is "You must love the Lord your God with all your heart, with all your soul, and with your mind... The second resembles it: You must love your neighbour as yourself"

(Mt. 22: 37-39).

6.2.6. The importance of NGO initiative

The ethical values we have observed above can be consolidated
through the confidence of the NGOs in their work and the strong
participation of the grassroots people themselves. The reason for
this is twofold: first, the ethical values are directed to
effective development and enhancement of the welfare of the
grassroots people and it is the grassroots people themselves who
know their situations very well. So if the right ethical values
are to be found, the grassroots people need to expose the nature
of their situation to those who are there to support their
initiatives to develop and change their lives. Otherwise the
dialogue which we have mentioned above may come with abstract
ideas and decisions which are not applicable to their situation.

Second, while the grassroots people put forward their ideas
through the NGOs, it is the NGOs themselves, through their
leverage responsibility, who represent the grassroots people to
other stakeholders such as the state and the donors. For that
they need to have a strong knowledge about, and confidence in,
what they say to these stakeholders. Such confidence and
knowledge can be achieved by strong interaction with the
grassroots people themselves.

Accountability of the NGOs to the primary beneficiaries, the
grassroots people, is the key to the meaningfulness, practicality
and consolidation of the ethical values which we have proposed
above. Where there are other organisations operating in the same
communities, NGOs also need to seek their assistance both to
develop their experience and deal with those areas which without
the help of others they might not be able to. In some cases, such
organisations might be the state and donor organisations
themselves.

This means that if the NGOs have strong interactions with the grassroots people and seek assistance from other organisations, their knowledge and confidence in the problems of the grassroots people can easily develop. Thus they are able to give good information to the other stakeholders, draw up project proposals which are relevant to the needs of the grassroots people and manage these projects in ways which are helpful in developing and enhancing the welfare of grassroots people.

But for this to happen there must be honest commitment and humility in the NGOs. The organisations, then, may be able to learn from the grassroots people. They may also try their best to apply the knowledge they get from the grassroots people to draw up clear projects proposals and present their ideas to other stakeholders such as the state and the donors. Where issues are not clear for them, they may seek expert assistance. In that way, problems such as a lack of ethical values, which we observed in chapter five, may be minimised. The primary responsibility to minimise these problems is in the way NGOs interact with the grassroots people and the way they are committed, honest and humble as they deal with these people.

So the NGOs have an important role to play in making the ethical values we have seen above meaningful, practical and effective in developing and enhancing the welfare of grassroots people.

6.3. Summary

At this juncture, it should be clear that unity of the state, NGOs, their donors and the primary beneficiaries, grassroots people, is the result of being bound by one aim. These partners need to understand one another as one community in mission.

We have discovered that the kind of community which the state, the NGOs, their donors and grassroots people can build is that which is characterised by their diversity and their common

motives and goals. They will abandon their differences and share their resources. This is not only a means of developing and enhancing the welfare of the grassroots people. Neither is it only a means of providing for immanent and transcendent needs. It is, above all, a means to participate in the fulfilment of God's vision of the "comprehensive wellbeing" of the human race. Thus we have concluded that the unity is, in its highest sense, an act of faith in God.

But, it has also become evident that the diversity in structure, systems, needs and approaches to development and welfare issues can sometimes be counterproductive. We have discovered that dialogue can be a remedy to such problems. Whatever form such dialogue takes, the primary concern must be to make sure that the community of the state, NGOs and their donors is rendered practical and effective enough for its mission – developing and enhancing the welfare of the grassroots people. Inspired by the ideals of participatory development, it becomes imperative for the partners that grassroots people should be included in such dialogues.

We have also seen that dialogue can be useful to minimise top-down power dynamics which bring about conflicts among the partners. Through dialogue, the partners discover their mutual convictions and concerns. Through such discovery they engage in what Forrester (1997) calls "imaginative reciprocity" – the capacity to think of oneself in another person's shoes and see how the situation would look like if roles were reversed. We have discovered that when one encounters "imaginative reciprocity" the difficulty which may arise is that of defining what exactly must be done for another person. This is where the difficulty of defining the term "justice" comes in.

However, Jesus Christ's teaching about conflict resolution between individuals in the community (Mt. 18:15-18), gives us a new way of looking at the problem of dealing with justice where partners of the same mission come together. A definition of

justice must be arrived at by analysing the whole vision at an interdisciplinary level.

But since such analysis may still not give us the entire definition of justice, interdisciplinary dialogue should be done continuously. Partners consistently need to engage in interdisciplinary dialogue.

We have also discovered that dialogue can be used as a tool to minimise conflicts which come through suspicion and lack of appreciation. Through critical dialogue partners understand the convictions and concerns of each other. Thus they know what each one of them stands for. They then have no reason to suspect each other.

Through critical dialogue, partners also learn the importance of each other in the mission they are undertaking. They also understand how they are complementary to each other. Thus they develop a spirit of appreciation for each other.

We then discussed the problem of altruism or good will among the partners. This is the good will to be together and develop and enhance the welfare of the grassroots people. We saw that some people claim that there is no genuine altruism because people are always motivated by somekind of self-interest or the other. However, this does not mean that humans cannot strive to improve the lot of less fortunate fellow-humans.

This study will focus on what kind of motives people have when they act. Thus we dismiss the question of finding out whether there can be a genuine altruist or not.

Having taken this direction, the study has resorted to Christian Ethics. We have claimed that the kind of motives which can enhance unity for mission to develop and enhance the welfare of grassroots people are those of sharing God's love with other people. Thus the state, NGOs and their donors, together with the

grassroots people, must take this love as their fundamental motive. Practically, this means that in sharing God's love, they would be, without discrimination, merciful, generous and compassionate to each other and to the people they are serving. The basis for their mutual assistance and reciprocity should be *need alone*. This is how God's love is. He stands for everyone, including those who sin against him, since everyone *needs* his love.

If these ethical values are to be meaningful, effective and practical in the development and enhancing of the welfare of grassroots people, emphasis must be on strong interaction between the NGOs and the grassroots people. Such interaction is only possible where the NGOs are honest, committed and humble in their responsibility of developing and enhancing the welfare of grassroots people. In that way the NGOs develop confidence to draw up practical project proposals. Such confidence can also be developed by seeking assistance from other organisations which are operating within the same areas where the NGOs are operating.

CONCLUSION

Our theme is, "The impact of the state and the donors on second generation NGOs: a study on the conflict of interests between the state, the NGOs and the donors in the civil society".

After the introduction in chapter 1 we took a close look at the goals of the NGOs in chapter 2. Here we saw that the most important task which NGOs take up is that of grassroots development. The organisations empower the grassroots people to overcome social forces which tend to hamper their well-being.

Where the grassroots people are affected by emergency problems such as earthquakes and wars, the NGOs engage in relief activities. They provide for basic needs such as shelter, clothing and food. This is sometimes accompanied by welfare activities in which the organisations provide basic necessities, not only because of emergency situations, but also because the grassroots people are suffering social deprivation of some kind (e.g. poor education; poor health systems).

The concepts which guide NGOs in development activities include: grassroots development, participatory development, sustainable development and leverage.

By "grassroots development" the organisations mean that their main target in development activities is to help the grassroots people to be self-reliant. Grassroots people gain the capacity to be self-reliant through their participation in the development activities which the NGOs bring to them. So grassroots development takes the form of participatory development. Self-reliance of the grassroots people is also consolidated by making sure that whatever they gain through their interaction with the organisations will serve both present and future generations. Thus grassroots development is also called sustainable development. Sustainability means therefore, that the development activities of the grassroots people do not over-exploit the

environmental resources.

The NGOs can sometimes act as negotiators or mediators for the welfare of the grassroots people with other stakeholders which take part in their activities, or other organisations which seem to be concerned with the welfare of the grassroots people. They may advocate policy-changes or monitor the actions of the governments or other organisations toward the grassroots people. Such activities are termed "leverage".

Before engaging in any development activities, NGOs try to understanding the social, political and economic situation of the people they are to work with. These activities are called social analysis.

Motives of the NGOs are grounded in their humanitarian concern which is translated into public concern. Such humanitarian concern can be based on convictions which can be religious, economic or political in essence.

The activities of these organisations are legitimised by their socio-political, economic and legal position in the society. Politically, NGOs belong to the civil society. They are not governments. Their concern is based mainly on the values and beliefs of the people on the ground. Thus they are called non-governmental organisations. Economically they are opposed to the needs and demands of profit-making behaviour of private enterprises. Therefore they are called non-profit organisations. Legally, both the political and economic positions of the organisations mean that their activities and the financial benefits they receive should not be taxed.

In chapter 3 we attempted to study the impact of the state on the NGOs. We studied the activities of both the state and the NGOs which are the evidence of such an impact. We saw that if a state is not concerned with democratic social reform, it may have a negative impact on the activities of NGOs and vice versa. Our

main case studies to prove this point were the South African apartheid regime and India.

The South African Apartheid Regime had a negative impact on the NGO sector through its legal systems and political behaviour. NGOs could be banned, denied tax-exemptions or fundraising activities and fundamental freedoms such as the freedom of speech. Thus the South African Apartheid Regime attempted to minimise the organisations and the scope of their activities.

India has featured as a country with a positive impact on the NGOs. Its development programmes are designed mainly to develop the lives of the rural people. This has mainly been done through rural agriculture programmes. In that way, it has opened room for the development activities of the NGOs. Thus NGOs have taken advantage of this privilege and worked with the grassroots people. In some cases the organisations have even helped in changing government policy.

In trying to study how the state impact can be discovered through the actions of the NGOs, we have seen that in Indonesia some NGOs masked their identity by calling themselves self-reliant organisations. They avoided using the title non-governmental organisations. This was done because the term was seen to refer to civil society groups which stand in opposition to the state. The Oxfam experience in Malawi has revealed that before any organisation starts its operation it must study the local situation. This is important to detect the politically sensitive areas which are likely to provoke the hostility of the local politicians.

The negative impact of the state on the NGOs can also be discovered where the state collaborates with the organisations. The state may collaborate with the organisations with the intention of minimising their advocacy capacity.

Problems between the state and NGOs have led to NGOs' distrust

of the state. This distrust has influenced the NGOs to depend more on international donors than on local governments for their financial support. Thus in chapter 4, we have sought to investigate the impact of the international donors on the NGOs.

When donors provide funds to the NGOs, they attach conditions as to how the funds should be used. When these conditions are good, they may increase the effectiveness and capacity of the NGOs to develop and enhance the welfare of grassroots people. But more often than not, these conditions are bad. They may tamper with the autonomy of the NGOs. Thus they decrease the effectiveness and capacity of the organisations to develop and enhance the welfare of grassroots people.

Donations made by international donors can be in the form of either project or programme funding. In project funding the donors agree with the NGOs to engage in certain projects which the organisations may finish within a certain period of time. In programme funding the NGOs and their donors agree on the amount of money to be given within a certain period of time. Though programme funding has been used as a replacement for project funding, experience has revealed that in both project and programme funding donor dominance has been paramount.

Donor dominance has led to the following problems in the NGO sector: administrative burdens, lack of reliability of donors, time pressure as the donors expect quick results from the NGOs, discrimination of NGOs to be funded, NGO staff insecurity, and creation of dependency in the NGOs.

Apart from these problems we discovered that donors impose conditions on the NGOs as a result of the influence of certain factors. We discovered that the main reason why the donors impose these conditions is the fact of distorted ethical positions of NGOs. Donors also impose conditions because of the following: the self-esteem of the donors themselves; lack of identity and proven experience of some NGOs; the tendency of the NGOs to make long-

term project proposals; decentralisation of decision-making processes in the NGO sector; influence from multilateral funding and project planning processes (which include governments); arbitrary discrimination of donors to fund certain NGOs, and a lack of dialogue between the NGOs and their donors.

Though conditions for donations have been used as the main way to minimise corruption in the NGO sector, this study has suggested that there can be other methods of minimising the problem apart from imposing conditions. This has included anti-corruption measures used by government bureaucratic systems. These methods can be used either as a replacement or a supplement to the conditions which the donors impose on the NGOs. But whichever methods are used, both their planning and implementation must be done at a multilateral level.

In chapter 5 we shifted our focus to discussing problems which we have observed in the two preceeding chapters in terms of ethical values. We found that all three partners, and that sometimes includes the grassroots people themselves, do seem to be influenced by a lack of trust in each other; top-down power dynamics; lack of appreciation, and lack of altruistic spirit or goodwill. This denoted the similarities between the impact of the state and that of the donors on the NGOs.

As for the differences of these impacts, we observed that their differences are mainly at the level of motives. While the state belongs to the government sector, donors belong to the civil sector. Thus while the state is motivated by political agendas the donors and the NGOs are motivated by moral credibility as manifested in their public concern.

Chapter 6 attempted to suggest ethical values which can help the partners to be united in their attempts to develop and enhance the welfare of grassroots people. Our guiding ethical values were those of "community in mission".

A community in mission can be a community of diversity. Partners have different resources. First, they are bound together by their mutuality in sharing these resources. Second, their togetherness is bound together by one aim of developing and enhancing the welfare of grassroots people. Thus through their unity they may be able to provide the needs of the grassroots people and strive to bring about the comprehensive well-being of the grassroots people. In Christian ethical terms such practice can be understood as an act of faith in God.

When the different resources of the partners do not seem to be compatible, the partners may engage in critical dialogue. The aim of such dialogue is to find ways and means in which the community in mission can be rendered effective enough to develop and enhance the welfare of grassroots people. The ideals of participatory development may demand that grassroots people be involved in the processes of critical dialogue.

Critical dialogue has also been seen as the most important tool to minimise problems emanating from top-down power dynamics, suspicion and lack of appreciation between the partners in question. This happens because critical dialogues help the partners to understand their importance to each other. They learn how they are complementary to each other in their mission to develop and enhance the welfare of grassroots people.

But the truth is that in some cases problems between the partners have been brought about by their lack of altruistic spirit. Having seen that all actions which seem altruistic are in fact guided by motives of one form or another, we have sought to suggest that our focus must be on the kind of motives we are dealing with. Thus in terms of this study, we suggested that the partners must be guided by Christian motives.

We have seen that the Christian motives which the partners need to acquire are those of sharing God's love for people with other people. God's love is unconditional. The love of the partners

between themselves and toward the grassroots people must also be unconditional. Thus this love may include virtues such as mercy, generosity, compassion without discrimination. To this extent, we noted that whatever the partners do to each other or to the grassroots people must be based on *need alone*. God loves everyone because everyone *needs* his love.

These ethical values can be consolidated by strong interaction between the NGOs and the grassroots people. This interaction is possible when the organisations are committed, honest and humble in their dealings with the grassroots people. These virtues can also help the organisations to gain confidence in their work and be able to prepare good project proposals. Where the need arises, the organisations may seek assistance from other organisations operating within or outside the communities in which they are operating.

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