

Six theses on the future of NGOs involved in development and international cooperation

Olivier Berthoud

SDC coordinator in Havana

Non-governmental organizations (NGOs) of the North active in development work manage approximately US\$6 billion annually, which is more than 10% of the total amount given in aid. Some of these organizations, mainly from English-speaking regions, manage sums in excess of the Swiss bilateral aid budget. Others are groupings of friends led by someone with a special enthusiasm for a mini-project. A number of them were born out of compassion or solidarity following the Second World War or during the period of decolonization. What does their future look like?

Often these NGOs seek to bring immediate relief where necessary, and at the same time raise the awareness of the general public in rich countries. In most countries of the North, they constitute powerful lobbies which are capable of influencing government policy. But they are also sensitive to state pressure, as they depend on government grants. Even more than governments, they experience one of the paradoxes of the aid system: they work for poor beneficiaries in the South, while having to account to the remote and very different citizens of the North. In this complex and multifaceted world, making generalizations is a hazardous exercise and forecasting the future downright dangerous. Still, it is worth trying.

The NGOs of the North will be able to adapt in response to the needs of their partners

Comment by **Werner Külling**, secretary-general of Helvetas

These observations are correct. By the way, it was the Swiss NGOs, in particular Helvetas (as well as today's Swissaid), in addition to confessional relief organizations, which from 1950 in our country publicly propagated the idea of development cooperation (DC) with the poor countries of the South and which launched the first related projects. Only as a result of these private initiatives did the government incorporate DC as a new task in its foreign policy several years later and begin to realize its own projects (based on initial experiences and with the help of former NGO employees) as well as to support private organizations financially in their project work. In the meantime, DC – which initially was a controversial issue on the domestic front, but at the same time almost a foregone conclusion – has developed into a central and, as concerns volume, a continually growing government task (reaching almost the same dimension as domestic social programs such as the AHV, the Old Age and Surviving Dependents' Pension). This fact has also meant that the support by sponsors of Swiss NGOs has gone into more or less of a decline while increasing the conviction on the part of the Swiss public that development cooperation is the responsibility of the federal government and is not (or no longer) an act of personal solidarity on the part of each individual, i.e. of communities, cantons and companies. For the Swiss economy the markets in the countries of the South have become significant and interesting, and relations have broadened. Recently, globalization and the consequences of information and communications technology have completely changed the North-South relationship. In addition, people of all ages and social classes in our country have the opportunity to travel to all countries of the South where they

can obtain their own impressions of the North-South gap. All of these fundamental changes are a challenge to the NGOs, confronting them with new questions and tasks to which they will certainly find answers.

Berthoud

- 1. The NGOs traditionally active in development cooperation are going to experience a reduction in their support base and an even more pronounced dependence on public funds. Some members of the younger generation are going to turn to transnational NGOs based in the English-speaking world, specialized NGOs or small associations working in a network.**

Several of the larger NGOs are 50 years old. Their members and donors are inevitably aging, resulting in a large number of bequests. Born out of revolt against human inequality and characterized in their time by an innovative spirit, they specialized in development cooperation. However, they have not managed to renew their approach; nor have they found ways of mobilizing the younger generations in the North. Their organizational base has weakened and they work mainly with donor files in acquiring their already modest portion of self-generated income. Public funding accounts for about 80% to 90% of their resources. Increasingly sophisticated marketing techniques, applied to the charities sector, will enable them to postpone for a few more years a development which in the end could prove fatal for them. When the large transnational NGOs of Anglo-Saxon origin, which are extremely good at marketing, turn their attention to the Swiss market, they will make considerable inroads and will steal the younger generation away from the traditional NGOs.

Külling

Some of these observations are true, i.e. they are the consequence of basic changes which have been taking place in this area over the past years. But on the whole these comments are both fatalistic and pessimistic and in no way make allowances for developments in Swiss NGOs. For example, Helvetas is almost 50 years old and shows no signs of being over the hill, tired or "fossilized". Alone in the year 2000 their own funds topped the SFr.10 million for the first time. For the most part, all important NGOs enjoy significant trust within the Swiss public and have experienced a steady increase in results when it comes to procuring their own funds. Their management and Swiss supporters have continually been rejuvenated and they have created new forms of project work while extending and specializing their competencies and qualities. On the whole, their innovative potential is completely unbroken. In fact, without the central role they play on the DC scene, the SDC would undoubtedly encounter significant problems because it depends on the NGOs from a domestic and third world aid policy (working group) point of view as well as operationally in the administration of projects and assignments.

Of course the bond its members have to their organizations and the loyalty of their supporters has partially lessened or become more susceptible to change. But this trend is applicable to all organizations, even political parties, for example. There is an ongoing battle for the donor market, but the NGOs have succeeded in maintaining or even increasing their shares, not least due to their application of modern marketing methods. Although such methods are expensive they contribute to consistent and continuously-increasing cooperation and coordination among like-minded NGOs. (On a long-term basis it is likely that similarly-minded NGOs will work together more frequently and perhaps even fuse into one organization.) NGO development cooperation is highly respected by civil society, even more so than government actions implemented by the SDC which often lean towards bureaucracy. Moreover, SDC work is carried out mainly by overly-expensive experts which only the government can afford

because of its limited cost consciousness and its consideration for the economic interests of its suppliers.

Our citizens continue to support the strong involvement of private organizations in DC. Basically, the SDC should have thought over the division of roles between government and private efforts a long time ago, outsourcing operational functions and concentrating on policy dialogue and control. Instead there is a noticeable trend within the SDC to again become more active operationally.

It has become the custom to view transnational NGOs of Anglo-Saxon character as a future model and possible danger for Swiss NGOs. Both Helvetas and Swissaid have already been in touch with the Oxfam International Family and have determined that the size of this integrated European system contributes to its power and effectiveness. On the other hand, they also recognized that it has basically little in the way of novel or improved concepts in the project area and that its size makes it bureaucratic and sluggish. Uncontested is the fact that its financial power lets it carry out effective campaigns in the North. Still, there is no well-founded proof that it poses any serious threat to Swiss NGOs. Generally the Swiss tend to be more skeptical towards transnational entities and in this area are inclined to trust their own institutions.

The political role of NGOs appears to be increasing and regaining influence, as for example with the mounting criticism of globalization, the World Trade Organization (WTO) and the World Economic Forum (WEF). One clear sign of this is the fact that international politics have suddenly begun to respect and seek dialogue with the NGOs.

Berthoud

2. The NGOs of the North, the direct executors of projects in the South, will more and more be perceived as practicing unfair competition by emerging institutions in the South.

All aid agencies advocate the consolidation of local capacities in the countries of the South, which depends on training individuals and strengthening institutions. This is probably one of those areas where cooperation can show the most tangible results: in the three continents of the South we currently find more people and institutions capable of taking up the challenge of poverty. The NGOs of the North, as direct executors of projects or programs, will increasingly emerge as practicing unfair competition towards their counterparts in the South. This is because they have greater financial resources, work hand in glove with the donor agencies and are in a position to operate in a multinational framework. As the market in public works contracts opens up and they compete with private-sector (profit-making) companies, either they will become the executive arm of the donor organizations, or they will have to withdraw from operations in the South.

Külling

Such a tendency is noticeable, but those DC-NGOs who properly understand their political/development policy work maintain a genuine partnership and work closely with NGOs of the South. At least this is what the sponsoring organizations of the NGO coalition of Swissaid/Catholic Lenten Fund/Bread for All/Helvetas/Caritas claim. Government development agencies such as the SDC could counteract this trend by means of the respective policies and project allocations and by strengthening the partnership between NGOs in the South and the North. Reinforcing local experts and institutions in the fight against poverty must remain a central objective of northern NGOs, even when this is contradictory to their own material interests.

This statement applies especially to private companies. By allocating more and more to these companies, the SDC only provokes competition with the NGOs of the South. Within the globalization structure, the southern NGOs will in the future also depend on a network connection with northern NGOs, as lobbying for the South will gain considerable significance. And who else but the northern NGOs should assume this function? Thus the question is more one of finding the right proportions in the division of labor between northern and southern NGOs, or of finding a new basis for this division. By the way, in addition to their lobbying capacity, northern NGOs definitely also have know-how to offer, know-how which to date is not yet sufficiently available in the South.

Berthoud

- 3. The traditional institutions practicing a project-based "postcard" approach are the ones which will best survive the upcoming turbulence, because their first preoccupation is sharing rather than making an impact measured by market criteria.**

The institutions whose activities are based mainly on harvesting public donations through organized groups will not willingly abandon their project-based approach in favor of a program-based one. The fact is that, in terms of size, a project – an initiative costing a few tens of thousands of francs, limited in time and space – is the most appropriate unit for the collecting of funds. Though criticized in the South, the project-based approach is the “postcard” format best suited to raising public awareness in the North (there is a “before” and an “after”, with often visible results that can be photographed). The postcard-type project summarizes a problem, makes it accessible to non-specialists and – why not? – makes it easier to solve. In this framework, it is difficult for a program to be anything but a photo album, albeit skillfully put together. These institutions – linked principally, but not exclusively, to churches – are better able to sense changes in their support groups because they are in permanent contact with them and must justify every activity they undertake. Moreover, these institutions are often rooted in a social context with interests which go far beyond development aid. The "postcard" project model is also the one favored by small private associations, which often result from one person's enthusiasm for a specific project and which tend to flourish and then disappear as contacts are made and lost. But they do reach circles of people who are traditionally less aware of North-South issues than are the churches and intellectual groupings.

Külling

Unfortunately this theory cannot be denied and is strongly connected with the fight for the donor market and the highest possible successful marketing methods. Today's communication society furthers this trend even more. The large NGOs in our country have been complaining with good reason that three to four decades of serious information and educational work has not brought the expected results and that the modern marketing approach in procuring funds for development actions promotes the "postcard project" model even more. This thesis is possibly based on an incomplete picture. Unfortunately in fund-raising experience it is true that far better results are achieved with postcard projects (which do not always correspond to reality). World Vision is a perfect example of this. So to cover their financial needs, the NGOs are often forced to act in this manner. However, one can act in a differentiated manner and still be both media- and donor-effective.

Berthoud

- 4. Some voluntary organizations concentrate closely on promoting intercultural exchange and most of them will stick to their primary vocation, which has always been evangelism.**

The notion of voluntary service overseas was born at a time when people would leave by ship to carry the gospel to obscure and faraway populations. Since that time no significant transformation has taken place, despite the fact that the context has radically changed. Think of the massive expansion of air travel, migration and tourism to exotic destinations; new means of communication (telephone, fax, e-mail, Internet); and the spectacular development of skills in the South in the fight against poverty. Some institutions, understanding the new situation, will deliberately put the emphasis on intercultural exchange, commissioning institutions in the South to receive and train young people from the North. In so doing, they will become the last setting in which people from the North can gain grassroots experience of the South. However misunderstandings will multiply with the future generations of aid workers and government experts, trained exclusively in agency coordination offices and familiar only with meso- and macropolitical dialogue. Government contributions to volunteer work will be dramatically reduced and most sending institutions will concentrate on their primary task of missionary work and evangelism.

Külling

I agree with this thesis. It is the task of government DC (to reduce or suspend financial contributions) and large NGOs to fight this undesirable development.

Berthoud

- 5. The rapid increase in natural and man-made disasters will give large humanitarian NGOs the opportunity to increase their own activities, as dictated by the pace, places, volumes and objectives set by the media and governments.**

Since 1985, NGOs have intervened on an ever greater scale when natural and man-made disasters have occurred. Their influence in situations of conflict has sometimes had undesirable, harmful consequences. The right to intervene, applied in an increasingly selective way, is losing its moral authority as a universal doctrine. Commitment to emergency measures and reconstruction has diverted energies away from the task of long-term change. Just a few institutions, multinational or transnational, will attract the lion's share of this market, thanks to modern management methods based on marketing and strategic alliances.

Külling

I agree with this statement. This is another undesirable development which government institutions together with NGOs must fight.

Berthoud

- 6. Transnational NGOs specializing in specific fields, or coalitions of all kinds, will gain impact and influence at all levels.**

Specialized transnational NGOs such as Greenpeace and Amnesty International have already established a reputation for effectiveness in carefully targeted, spectacular initiatives of a one-off character. The campaigns against antipersonal mines, the multilateral agreement on investment or the WTO conference in Seattle are illustrations of the direction things are likely to take in the future. Functioning in decentralized networks to tackle specific issues, these ad

hoc groupings will increasingly practice the strategy of the mosquito or of the snail – martial arts instead of barricades – to defend the values of solidarity, equity and justice. The concern will no longer be to go and help others in the South, but to promote progress in one's own part of the global village by taking into account the omnipresent planetary dimension. The overriding themes of these changing, heteroclitic coalitions will be, on the one hand, sustainable development and multiculturalism; on the other, good governance and respect for human rights on the part of the private sector.

Külling

I also agree with this theory which states that recently, the political influence of transnational NGOs have grown considerably and can trigger the respective correction of undesirable developments. The Swiss NGOs should support such themes and campaigns as best they can, provided they are compatible with their own area of responsibility. Large NGOs in our country have a long-term right to exist only if they take up current major themes such as conflict prevention, good governance (good government leadership), human rights, democratization and decentralization, the fight against poverty – especially on behalf of victims of globalization – into their programs in the countries of the South and participate and share in the respective campaigns in the North.

(translated from French and German)

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