Can NGOs Make a Difference?

The Challenge of Development Alternatives

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PART V   Taking Stock and Thinking Forward

Whatever Happened to Reciprocity? Implications of Donor Emphasis on 'Voice' and 'Impact' as Rationales for Working with NGOs in Development

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> Eliminating world poverty is a job for everyone, not just governments. In 2005, people around the world raised their voices to demand change.... NGOs will help deliver services, especially in fragile states. ... civil society groups will hold the Government to account in the UK, and encourage their counterparts in developing countries to do the same. (UK White Paper on *Eliminating World Poverty*, DFID, 2006: 81).

This chapter concerns non-governmental organizations and the rationale for their involvement in development. It analyses how donors view NGOs, looking particularly at the example of the UK Department for International Development (DFID), arguing that NGOs are expected to conform to one of two prescribed models of what they do, which tends to ignore or downplay the value basis of what NGOs *are* and the variety of ways they relate to development.[1]

The chapter suggests *reciprocity* (Polanyi, 1957) as an organizing principle that incorporates the variety of values underlying NGOs and differentiates them from both private firms, based on a rationale of self-interest and exchange through the market, and government agencies, based on a rationale of legitimate authority and coercive redistribution. At the same time, it seeks to place NGOs within 'civil society', which in political rather than economic discourse has also been used to describe the space between the state and the market. However, usage differs as to whether 'NGO' is a synonym for 'civil society organization' (CSO) or refers to one particular type of CSO – for example, one that delivers humanitarian relief or promotes 'development' for others.

Both the private and state sectors are modern sectors contrasting with a 'traditional', 'community' sector, based on a rationale of mutuality, reciprocal relations and ascribed roles. NGOs can be regarded as belonging to a

third modern sector, based on some of the positive values of community but with more openness and universality. Arguably this third sector also corresponds to the organizational dimension of civil society.

Invoking the idea of 'civil society' is one way of investing the third (modern) sector with some positive attributes. Many authors agree that it should not be defined as just a residual category (*non*-profit and *non*-governmental) but consists of 'value-based' or 'value-led' organizations (Paton, 1991; Hudson, 1995), though which values are to the fore is subject to much debate. Suggestions include voluntary association (Streeck and Schmitter, 1985), charity (Butler and Wilson, 1990), membership (Stryjan, 1989), trust and solidarity (Gherardi and Masiero, 1990), enthusiasm (Bishop and Hoggett, 1986), among others. The values underlying development NGOs in particular are if anything even more varied, although many relate to participation or empowerment. Some derive specifically from movements based in developing countries, for example Freire's (1972) conscientization, or Gandhian concepts such as *gram swaraj* (village self-rule) or *sarvodaya* (the welfare of all). Other value-based ideas taken up by many NGOs, while of Northern derivation, are specific to attempts to deal with problems of development, such as Schumacher's (1973) 'small is beautiful', Korten's (e.g. 1990) 'people-centred development' and Chambers's (e.g. 1997) ideas of participative rural appraisal and power reversals.

It might appear that the values involved are too diverse to generalize about the underlying principles. Some are the values of groups set up for the mutual benefit of their members while others relate to organizations set up for the benefit of others or for general public benefit. However, over time successful voluntary organizations tend to combine elements of all three categories of benefit (Handy, 1988). Indeed, all organized voluntary action can be seen as combining the human impulse to act directly in response to a perceived need with the need to pool resources by acting in groups. I suggest that the best attempt at defining this impulse in terms of a single principle is Polanyi's (1957) idea of reciprocity, where goods, services or effort are given freely not for immediate exchange but in the expectation of reciprocal assistance being available when required (a similar notion underlies Titmuss's (1970) 'gift relationship'). However, a general understanding of voluntary, non-profit or 'civil society' organizations must also recognize that they are often small and specific in their area of operation. Thus the third sector – or 'civil society organizations', including NGOs – comprises organizations which may all be value-based and rely on reciprocity but are based on a variety of specific values and focus on the needs and interests of particular groups.

NGOs have become increasingly important in development since the 1980s, as the neoliberal combination of market economics and liberal democratic politics became dominant. As Edwards and Hulme explain,

NGOs fitted into the 'New Policy Agenda' promoted by donors, appearing simultaneously 'as market-based actors' and 'as components of "civil society"' (1995: 849). Thus, on the one hand, the increase in provision of services or 'gap-filling' (Vivian, 1994) by NGOs was seen as part and parcel of the privatization of state services, despite NGOs' non-profit basis. On the other hand, NGOs were seen as prime agents of democratization (Clark, 1991), or even as intrinsically democratic simply by virtue of being part of civil society (ROAPE, 1992).

In practice the contribution of NGOs to development is enormously varied and multidimensional, reflecting their sheer numbers and diversity. There is a huge difference between international NGOs, mostly based in the developed world, and indigenous local or national NGOs in the developing world. Often started as charitable relief or missionary welfare organizations, the former generally work in developing countries through their own branches or with local partner organizations, often NGOs themselves. The majority of the latter are small, but they include organizations such as the Bangladesh Rural Advancement Committee (BRAC), the largest national NGO in the developing world, with over 97,000 employees in 2005.[2] BRAC and other large NGOs (especially in South Asia) often function as para-governmental or quasi-governmental organizations, operating in parallel with the state and complementing it in the provision of social services.

However, for some time, many working in NGOs have wished to go beyond simply providing relief or other services within the neoliberal model of market-led development. A symposium on 'Development Alternatives: The Challenge for NGOs' held in London in March 1987 explored the suggestion of a distinctive 'NGO approach' to development based on empowerment and the idea that poor people could be supported to become the agents of their own development (World Development, 1987; see also Poulton and Harris, 1988; Thomas, 1992). However, despite a number of well-reported success stories at the local level, it was unclear whether this 'NGO approach' could have a broader impact. In one of the papers from that London conference, Sheldon Annis (1987) asked, 'Can Small-scale Development be a Large-scale Policy?', and this question of how to 'scale up' from local experience became perhaps the most important of a number of distinct challenges to development NGOs which remain relevant today.

A number of writers have seen these challenges in terms of a sequence of strategies. At the same conference, David Korten distinguished between three 'generations' of NGO strategies: the first committed to relief and welfare activities, the second promoting small-scale local development that empowered local communities and broke their dependency on humanitarian assistance, and the third involved in a range of activities designed to achieve

institutional and policy change. Later, he suggested the need for a 'fourth generation' strategy, committed to increasingly complex networks and to advocacy at international as well as national level (Korten, 1990: 123–4). Individual NGOs could be involved in various mixes of the strategies. In a similar vein, Alan Fowler (1997: 220–21) characterized NGO activities as a mixture of three types of effort: 'welfare and delivery (the global soup kitchen)', 'strengthening people's organizations and movements', and 'learning for leverage'. He suggested NGOs should shift away from the first by either 'concentrating on building people's capacities to look after and demand for themselves' or 'gaining leverage on structural changes to governments and markets which benefit the poor' (Fowler, 1997: 220–21).

The rest of this chapter concentrates not on the NGO perspective but on how donors justify working with NGOs. The next section charts the changes in donor funding and expectations of NGOs from the 1970s to date. The following two sections analyse more closely how 'voice' and 'impact' are currently the dominant rationales put forward by donors for working with NGOs, looking in particular at policy and other statements by DFID. The final section considers how these two rationales may 'squeeze out' fundamental aspects of NGO work in development, many of which can be summed up in terms of the concept of 'reciprocity', and concludes with some implications.

Changes in Donor Funding of NGOs and Its Rationale

Throughout the period of the above-mentioned discussions on how to move from small-scale successes to making a bigger difference, resources for development through NGOs have increased consistently. From 1970 to 1999, NGO aid went up from US$3.6 billion to US$12.4 billion annually, equivalent to 21.6 per cent of total development assistance from members of the OECD (see Table 5.1).

For most of that time official donor grants to NGOs also increased. Although the proportion of official aid going through NGOs has reduced since the mid-1990s, private funding of NGOs continues to increase and more than offsets this decline. In fact, the proportion of NGOs' resources coming from private sources has never fallen below 65 per cent and by 1999 it was above 85 per cent and rising. Nevertheless, access to official aid funds has become extremely important to NGOs generally, and particularly for some NGOs. Thus, although NGOs have their own agendas and cannot be regarded simply as vehicles for implementing official aid policies and programmes, donors' expectations of what NGOs should do has a considerable influence on them.

Table 5.1   NGO and official aid to developing countries
(constant 1990 $bn)

	1970	1980	1988	1999
Total NGO aid to developing countries	3.6	5.2	6.9	12.4
private donations	3.5	3.6	4.5	10.7
official grants	0.1	1.6	2.4	1.7
OECD official aid	29.5	42.1	51.4	46.6
NGO aid as % of OECD aid	11.0	11.4	12.3	21.6

Source: Clark, 2003: 130.

Within the general upward trend, official funding has been affected by contradictory factors at different times, stemming from changing donor views on how to achieve aid effectiveness and the best role for NGOs. Thus there was a dramatic increase in official aid channelled through NGOs from the mid-1970s, consolidated through the 1980s and early 1990s, influenced by the rise of governments in the West committed to neoliberal economics and the disenchantment of many Western donors with the performance of government in the developing world. However, from the early 1990s most leading donors reduced aid relative to their GNP until, by 1997, OECD donors gave the smallest share of their GNPs in aid since comparable statistics began in the 1950s – less than 0.25 per cent (World Bank, 1998: 2). Aid channelled through NGOs also fell dramatically. Since 1997, with increasing commitment to the International Development Targets (IDTs) and now the Millennium Development Goals, aid/GNP ratios are increasing again. However, donors seem to be continuing to reduce aid flows through Northern NGOs, in relative if not in absolute terms, perhaps because they are revising their view of the state as an obstacle to pro-poor change and are now working to strengthen state capacity. Nevertheless, as already noted, the resources of Northern NGOs have remained buoyant due to growth in private donations (Table 5.1).

The figures in Table 5.1 are heavily influenced by trends in the United States, which by virtue of its size accounts for almost half of official and private funding channelled by Northern NGOs to developing countries. However, the various members of the OECD vary considerably in how much official aid goes through NGOs and how much the latter depend on these funds compared to private donations. In Britain, for example, official support to NGOs is relatively low, although it has fluctuated over

the years, increasing from 1.3 per cent between 1983 and 1986 to 7.6 per cent of DFID expenditure in 1999, and falling back to 5.5 per cent of an increased DFID budget by 2003. By comparison, the US percentage has been close to 10 per cent throughout.

It is US development NGOs that are largely responsible for the statistic that Northern NGOs derive a large and increasing proportion of their funding from non-government sources, since they are even more heavily privately funded than those based in other Northern countries. Nevertheless, official aid accounts for much less than half the funds of British NGOs. According to one estimate, NGOs with an international development remit receive 20 per cent of all donations to UK charities (Randell and German, 1999a: 236), equivalent to £1.5 billion in 2001/02.

These changes in aid funding have each been accompanied by changes in donor expectations of NGOs. Thus in the 1980s, with donors favouring structural adjustment lending including deregulation, liberalization and privatization, the increase in official aid funds going through NGOs corresponded with the view that they could deliver humanitarian relief and local development effectively, reaching the poorest communities at relatively low cost. However, many Northern NGOs continued with building long-term relations of trust with Southern partner organizations and working politically towards social transformation and alternative models of development based on empowerment and reciprocity. The tension between these approaches was exacerbated with the adoption of the IDTs in the 1990s and then the MDGs. Bebbington (2005) examines the case of Dutch aid and changes in the 'co-financing programme' with Dutch NGOs up to early 2002. He shows how the need to demonstrate impact in terms of poverty reduction and other specific targets has undermined trust and partnership relationships. Dutch NGOs have shifted to working with different types of local CSO and reduced those programmes which had less immediately measurable impact, such as research or broader political empowerment through social movement organizations.

More recently, along with rediscovering the importance of the state (World Bank, 1997), donors have discovered 'civil society'. There is a new rationale for working with NGOs which is applied to working with civil society organizations (CSOs) more broadly. It is argued that they can facilitate a certain type of empowerment process involving making the voice of the poor heard, thus helping to hold government agencies to account, and these 'voice and accountability' roles can help ensure that pro-poor policies are designed and implemented. Hence a partnership with CSOs that play these roles can complement a shift to the promotion of poverty reduction strategy programmes (PRSPs) together with direct budget support or sector-wide approaches (SWAps) on the part of donors.

Donors still put considerable amounts of finance into NGO provision of relief and services, despite the growing presumption that state provision is the best long-term solution (and NGOs should shift to the above 'voice and accountability' role). However, there are many states without the capacity to undertake poverty reduction programmes, or lacking the political commitment or willingness to do so within the PRSP framework preferred by donors. Within the past two years a specific secondary role for NGOs has developed in donor thinking, namely to deliver humanitarian relief and other services in these 'fragile' or 'failed' states, in the hope of achieving direct impact on the MDGs (see Fowler, this volume).

The next two sections discuss 'voice' and 'impact', respectively, as the main current donor rationales for working with NGOs.

'Voice' as the New Donor Rationale
for Working with NGOs

Interpreting the political role of NGOs in terms of 'voice' can be traced back to an influential paper by Samuel Paul (1992), which applies the seminal work of Hirschman (1970) on 'exit, voice and loyalty' to the question of accountability in public services. Paul suggests it is important to have available both the option of 'exit' – via a market-based alternative to state services – and that of 'voice' – promoting responsiveness and opportunities for public participation:

> Public service accountability will be sustained only when the 'hierarchical control' (HC) over service providers is reinforced by the public's willingness and ability to exit [i.e. marketization] or to use voice [i.e. direct participation]. (Paul, 1992: 1047–8)

By 1999, at the Third International NGO Conference in Birmingham, on 'NGOs in a Global Future', Harry Blair (2000) could claim that 'much and probably most of the international donor community' embraced a 'democratic development paradigm' involving a linear model in which participation for marginalized groups leads to representation and hence empowerment, which in turn allows these groups to influence policy to benefit their constituencies, leading over time to poverty reduction and finally to sustainable human development. This model is not directly about NGOs, and Blair himself expressed doubts about its effectiveness. However, he characterized the paradigm, and NGOs' role in it, as follows:

> [N]ewly *empowered* groups become part of *civil society* and within a political environment of *democratic pluralism* they advocate policy changes that lead to *poverty reduction*. Northern and Southern NGOs, along with developing country

governments and international donors, are the principal outside actors motivating, supporting, and in many way shepherding the process along. (Blair, 2000: 109)

Thus, as with the older rationale of NGOs providing effective relief and development services, the newer idea of donor support for NGOs as part of civil society is a means to an end rather than an end in itself. Currently, the *ends* (or aims) of donor policy are very publicly focused on the MDGs, none of which concerns support to NGOs or CSOs or to civil society per se.

In the UK case, DFID has a biannual Public Service Agreement with the British Treasury, which commits it to a programme of activities and a number of specific targets relating to strategic objectives in support of the MDGs. However, there is no mention of working with NGOs and other CSOs in DFID's PSA 2003–06 (the 2005–08 PSA mentions NGOs, but only as sources of monitoring information on conflict situations), and only brief mention of NGOs and civil society in DFID's latest self-evaluation, the 2006 Autumn Performance Report, which reports against the objectives of the PSAs. The impression is not of any systematic working with NGOs and civil society but rather that this happens to be useful in particular cases, reinforcing the view that working with NGOs is a means rather than an end. This is stated explicitly in the recent National Audit Office report on DFID's engagement with civil society (NAO, 2006).

By 2005, DFID had produced several Institutional Strategy Papers, some identifying specific roles that NGOs and civil society may play with respect to achieving particular MDGs. However, DFID has no strategy paper or other single authoritative benchmark statement of policy on engagement with NGOs and other CSOs. Hence its rationale for working with NGOs has to be inferred from a range of sources, including ministerial speeches, the 1997, 2000 and 2006 White Papers on International Development, the internal DFID guide on *How to Work with Civil Society*, target strategy papers, country assistance plans and programme partnership agreements.

Clare Short, Secretary of State for International Development, made a speech to the 1999 Birmingham NGO conference suggesting a model very similar to that put forward by Harry Blair at that same conference. For Clare Short, government provision is the best way to provide core public services such as basic health and education. Civil society can push for the major reforms required if governments are to meet poverty reduction and other development goals. In this model, aid to governments is more effective than 'isolated development projects', but only if there is 'local leadership committed to poverty reduction which is backed by access to expertise'. Civil society is the source of the political will that ensures that commitment:

What we need in order to ensure that we meet the 2015 targets is for [civil society] groups throughout both the developed and developing world to know that a major

advance in poverty reduction is possible, and to demand of their governments that the international system is put to work to ensure that it is done.

Within this general model, Southern NGOs are seen as having 'a crucial role in helping local people to realize their human rights and demand improvements in the provision of core government services', while Northern NGOs are 'building a popular base for development' in the north, 'lobbying governments and international institutions", and 'helping to empower the poor'.

In her speech, Clare Short says that 'it is important that southern NGOs do not confine themselves to service delivery or advocacy on behalf of the poor' (they should move beyond that to 'enable the poor to make their own demands'). This perhaps implies that service delivery and advocacy work continue alongside the new emphasis on 'development-as-leverage'. However, service delivery otherwise has no specific place in this basic model of the role of civil society.

With no DFID strategy paper specifically on civil society or the role of NGOs, the 2006 White Paper on International Development (*Eliminating World Poverty: Making Governance Work for the Poor*) is possibly the most authoritative statement of government and DFID policy on engagement with CSOs. The ideas have partly become embedded and partly changed from the previous White Paper in 2000 (*Eliminating World Poverty: Making Globalisation Work for Poor People*), produced very shortly after Clare Short's Birmingham speech.

The 2000 White Paper made it clear how DFID was impressed by the Jubilee 2000 debt campaign and saw support for this type of international campaigning and networking as potentially more cost-effective than funding NGOs to run small-scale development projects. It signalled a move away from working specifically with NGOs to engagement with a broader range of civil society organizations, with more emphasis on working with Southern CSOs and with faith groups in particular. Thus,

> It is particularly important to strengthen the voices of civil society in developing countries and of a range of organizations including faith groups, human rights and women's organizations, trade unions, NGOs and cooperatives, each of which can play a stronger role in giving poor people a greater voice. (HMG, 2000: para. 361)

The DFID document and online resource *How to Work with Civil Society*[3] works out the implications of this 'voice' model within developing countries. It explores a variety of ways in which DFID can work with Southern CSOs to achieve 'a means for poor people to claim their rights', quoting the idea that 'effective and accountable states need effective and accountable civil society'. Importantly, it states that strategy for working with CSOs must depend on an analysis of civil society in each particular country.

In fact, several DFID country offices have worked out somewhat different versions of a similar rationale. Some now have funds specifically for local civil society, usually managed by locally created consortia or boards drawn from a range of local CSOs, with their own criteria for the projects and organizations that will be supported. Thus in Orissa: 'DFID aims to develop partnerships with CSOs in order to help strengthen the capacity of poor people to articulate their needs, and to improve the policies that affect them.' From this basis, the Orissa civil society fund is oriented specifically towards strengthening 'voice', 'knowledge' and 'identity', in order to promote accountability, transparency and responsiveness in government.

The Southern Africa Trust was set up in 2005 with support from DFID and the Swiss Agency for Development and Cooperation, following a consultative process including a commissioned study by CPS (2002). It is very clear about the importance of recognizing power relations and the contested nature of poverty reduction policies:

> Effective policies that have strong popular support are a political outcome of negotiation and bargaining amongst many different interests and constituencies in society. These processes are crucial to building democratic participation and to creating accountable, responsive governance....
>
> The Southern Africa Trust was therefore established in 2005 to support civil society organizations in southern Africa to participate effectively and with credibility in policy dialogue so that the voices of the poor can have a better impact in the development of public policies.[4]

It is also noted that most Southern African states are at best 'emerging' democracies, while civil society is generally weak and fragmented. The Southern Africa Trust explicitly adopts a 'rights-based approach', and it puts forward a rather different emphasis from the Orissa fund, on the promotion of regional dialogue, learning and joint action.

The largest civil society fund is the Poorest Areas Civil Society (PACS) programme, with £27 million allocated over seven years and covering the poorest districts of six states of India. Others include Manusher Jonno in Bangladesh, the background paper for which explicitly links good governance and human rights, stressing that 'the rights-based approach demands a paradigm shift from welfare/charity ... to entitlement' and looking for practical approaches to development which operationalize this link. (Beall et al., n.d.). By 2004, Tanzania and Nigeria also had similar funds, with others planned for Ghana, the Caribbean (region-wide), Iraq and Indonesia (CDS, 2004). Some DFID country offices have a specific Civil Society Strategy – for example, Nigeria, Cameroon, South Africa – although no new ones appear to have been developed in the last two years. In all cases the rationale is a variation on the theme of promoting accountability through making the 'voice of the poor' heard.

The 2006 White Paper further acknowledges the important role of civil society in international campaigning, with very positive mention of the Make Poverty History campaign, which like Jubilee 2000 before it prominently included faith groups. In his Preface, Secretary of State Hilary Benn states that 'Governments did change their policies and made new promises' (HMG, 2006: 5) in response to the global campaign. However, the White Paper implies that there will be no need to change policy again; apparently we now know how to achieve the MDGs, and the challenge is to implement agreed policies and 'to make good on these commitments' (6). The main way this is to be done is through 'good governance', both globally and in individual developing countries. This means that 'the capacity and accountability of public institutions needs to be strengthened' (9).

The focus on governance includes a clear importance given to civil society, though this is stated in a rather general way. Thus, '[b]uilding effective states and better governance' means that 'we need to work not just with governments, but also with citizens and civil society' (HMG, 2006: 21). However, a large part of the rationale is exactly as in the 'voice' model described by Blair: helping to articulate needs, especially those of the poor, participating in policy formulation and particularly holding governments to account. This includes monitoring international donors' performance, but is particularly important in helping build the capacity and accountability of developing states:

> Accountability is at the heart of how change happens ... beyond the formal structures of the state, civil society organizations give citizens power, help poor people get their voices heard, and demand more from politicians and government. (HMG, 2006: 23)

NGOs are mentioned in the White Paper mainly as service providers and particularly in the context of 'fragile states' – which lack entirely the capacity or political will to implement poverty-reducing policies. This is a new and major concern of the 2006 White Paper. NGOs are hardly mentioned in the discussion of how to achieve good governance, as though they are quite distinct from civil society. Nevertheless, DFID's funding of CSOs still goes overwhelmingly to international development NGOs, particularly British ones. However, as announced in the White Paper, a new £100 million Governance and Transparency Fund was launched in 2006, which is 'designed to help citizens hold their governments to account through strengthening the wide range of groups that can empower and support them'.[5] It will be interesting to see whether this new fund in practice broadens the range of types of civil society group supported directly or indirectly by DFID.

'Impact'

Alongside 'voice' is a quite different rationale, of service provision having a direct impact on achieving the MDGs. As noted above, where democratic accountability is not the logic, then funding services by NGOs and other CSOs may still occur if this is seen as the best way to achieve 'aid effectiveness' in a particular context. Note that there is no specific theoretical view about civil society or NGOs underlying this rationale.

DFID defines the concept of aid effectiveness in terms of achieving the MDGs not only through increasing aid but also by ensuring 'better' aid, which among other things means aid that is 'delivered through effective institutions' and 'focuses on results not inputs'.[6] The clear preference is for state provision of basic services, but NGOs may continue to supply services directly if they happen to provide the most effective means of achieving results in terms of impact on the MDGs. This may be the case where they have a strong historical presence and government agencies lack capacity, or particularly in what are increasingly referred to as 'fragile states'. Also, within a neoliberal logic, private service providers can be awarded contracts on a competitive basis, and some of these may be NGOs or other CSOs. They may simply offer the best deal in commercial terms. In other words, NGOs may be regarded as just another private firm, expected to compete for donor contracts on the basis of meeting criteria of efficiency and impact.

In its 2006 White Paper, the UK government lists four public services – education, health, water and sanitation, and 'social protection' – as essential for achieving the MDGs (HMG, 2006: 52). In cases where a government is committed to the MDGs but lacks the capacity to provide these services to the mass of poor people at a sufficient quality to make an impact, they might be contracted out to NGOs (53). The danger of undermining the development of state services is noted: 'in fragile states ... giving aid only through non-governmental organizations (NGOs) or private contractors can actually hold back the process of building the capability of the state' (25).

In practice, in many countries, despite the dominance of 'voice' as the rationale for working with NGOs and other CSOs, these organizations continue to be contracted to provide all kinds of services aimed directly at development goals. Thus, on 2 March 2005, in a written parliamentary answer about support to CSOs in Bangladesh, Secretary of State Hilary Benn pointed out that the Bangladesh Country Assistance Plan 'emphasizes access for the poor to resources and services, and the realization of their rights'. He said that approximately 40 per cent of DFID's Bangladesh programme is channelled through CSOs, but this includes funding for NGO programmes on education, livelihoods improvement and HIV/AIDS (including some very large amounts to certain NGOs – BRAC, CARE

Bangladesh, Samata), as well as considerable but smaller amounts for 'voice' and 'accountability' activities and strengthening civil society – for example, through the Manusher Jonno fund, mentioned above, which provides grants to smaller CSOs 'demanding better human rights and governance'. In other words, the main publicly stated rationale only accounts for a minority of the funds channelled through CSOs.

Bangladesh may be a special case in having several large, well-established NGOs providing services to huge numbers of poor people in parallel with state services. When DFID's 2006 Autumn Performance Report gives examples of how DFID intends 'to address underperformance on those PSA targets that are off track', Bangladesh accounts for three of only six mentions of working with NGOs. Nevertheless, there is no sign of any general model of mixed provision of basic services in donor thinking, as represented by DFID, despite the fact that voluntary organizations form an important part of such mixed provision on a sustainable basis in the UK itself.

As well as countries suffering extreme civil conflict or attempting post-conflict reconstruction, the concept of 'fragile states' also covers cases like Zimbabwe and Burma where the government currently is hostile to donor-promoted models of 'good governance' and refuses to take part in, for example, the PRSP process. The point is made that it is precisely in those countries where the model of good governance breaks down entirely that there is the greatest need for basic services to try to reach the MDG targets. With other donors, the UK is prepared in such cases to bypass government and use CSOs and other agencies to deliver aid:

> Where the government is not committed to helping its citizens, we will still use our aid to help poor people and to promote long-term improvements in governance. But we will do this by working outside government, and with international agencies like the UN and civil society organizations. (HMG, 2006: 24)

Finally, NGOs and other CSOs may be included in sectoral programmes at a global level – for example, on health or education – within which there is a considerable amount of co-funding between donors. In these cases there may be no systematic attempt to keep track of the involvement of NGOs and other CSOs as such. For example, one of DFID's major programmes is the Global Health Initiatives and Global Health Fund, which has a commitment to funding through Public–Private Partnerships (PPPs). While the majority of private partners are commercial firms, NGOs also figure strongly, but would not be treated differently from any private-sector entity. An example in Tanzania is SMARTNET, a joint project between DFID and the Royal Netherlands Embassy for social marketing of insecticide-treated bednets, regarded as a 'trailblazer' for the global 'Roll-Back Malaria' partnership,[7] and

implemented by Population Services International, a non-profit organization based in Washington DC, which prides itself on being 'an amalgam of the worlds of commerce and charity'.[8]

'Squeezing Out' Fundamental Aspects of NGO Work in Development

Both these rationales have importance, but judging NGOs only by their direct results in terms of either 'voice' or 'impact' downplays several fundamental aspects of NGO work in development.

First, the discourse on 'voice' fails to acknowledge sufficiently the organizational aspect of facilitating democratic participation. One example is a recent report for DFID on general budget support (sometimes called Direct Budget Support – DBS) (Lawson and Booth, 2004). DBS can replace project-based finance, and potentially cut NGOs out of aid finance entirely. Lawson and Booth state the chain of causality and the key assumptions behind the DBS approach in some detail, explaining the role of policy dialogue, democratic accountability, participatory budget processes, human rights and empowerment, but do not specify a role for CSOs or NGOs. The 2006 White Paper identifies civil society as a source of democratic accountability, but separates this from NGOs – seen as a type of private service provider useful where state capacity is lacking.

However, NGOs also epitomize the organizational element of civil society and play a range of specific roles in democratization (Clark, 1991; Fisher, 1998) and in what we may call 'development governance' (Clarke and Thomas, 2005). These have several dimensions, which do not all conform neatly to one model. For example, Clark (2003) takes the World Bank's (1992) four 'pillars of good governance' (transparency, accountability, rule of law, citizen's voice) and suggests that NGOs should work to hold multi-lateral institutions and transnational corporations as well as governments to these principles. Tandon (2003: 70–72) suggests a number of roles for civil society in governance in addition to the 'watchdog' role of ensuring the accountability of market institutions and of government at all levels, as well as monitoring elections and compliance with international obligations. These include a demonstration role in how NGOs and other CSOs govern themselves, contesting the dominant development paradigm, and acting to 'influence public negotiations for public good'. They all seem valid, but go well beyond what is implied by the simple 'voice' model.

Second, there is a contradiction between fitting NGOs' political activities into a prescribed 'voice' model and their advocating and contesting policy issues from an independent position. The CPS (2002) report on the

Southern African case, and the related quote above, show how conflictual are the issues.

Development governance involves both cooperative arrangements and conflict. An emphasis solely on cooperative arrangements may neglect the ingrained ideological assumptions of governance and overlook the contested nature of development. For example, in South Africa Wooldridge and Cranko (1995: 344) argue that although governance is about mediation between various social interests, the process is not impartial and involves the state as a 'biased broker'. Donors such as DFID generally adopt a model of 'good' governance similar to that of the World Bank, which reflects neoliberal values by requiring marketization (Leftwich, 1996). In this model NGOs are expected to help promote development in the sense of poverty reduction or other actions aimed at 'ameliorating the disordered faults of progress' (Cowen and Shenton, 1996), while accepting the inevitability of the form 'progress' is taking through the combination of globalized capitalist industrialization with liberal democracy.

Some NGOs, however, may challenge the assumptions and values that underlie particular models of governance and development, while others (or even the same NGOs in different contexts) accept them. Howell and Pearce (2001) consider this a basic distinction, contrasting NGOs which participate in donor-supported 'good governance' within the 'mainstream' neoliberal project with the 'alternative', where CSOs mobilize and act as a focus for 'strong publics' that contest this project with its associated vision of development. Thus, NGOs' advocacy and facilitation is not always aimed at holding government to account to ensure that pro-poor policies are carried out within the existing economic framework, but may in some cases oppose the whole basis of government and donor policies. An obvious example is opposition to privatization where that is a condition for development assistance that includes backing for a civil society 'voice and accountability' role.

A third aspect relates to how NGOs provide humanitarian relief and other services. These activities can fit into the 'mainstream' discourse of development, not questioning the neoliberal basis of globalization, but there are possible 'alternative' roles which challenge this discourse. This occurs when services are provided on a non-market basis. Just as the facilitation of opposition to neoliberal marketization and globalization may be 'squeezed out' by the dominance of the linear model of 'voice and accountability', so 'alternative' forms of service provision may be 'squeezed out' by the dominance of the logics of 'efficiency' and 'impact'.

In fact NGOs often provide quality services for their own sake, not to achieve specific targets. Many working in co-operatives, mutual or charitable organizations would argue that some quality comes specifically from the

value basis of such organizations – which can often be summarized as aspects of 'reciprocity'. For example, a local CSO may promote community- and family-based support to AIDS orphans by building up reciprocal relationships which are valuable in their own right, beyond the impact on poverty measures. It is perhaps surprising that this type of rationale seems to have been lost completely – there are sound arguments why mutual or non-profit provision has advantages in particular circumstances.

Using outcomes like impact or efficiency to compare services provided by NGOs and other agencies has several serious deficiencies. Wallace and Chapman (2003) point out that two important issues tend to be glossed over in outcome-based evaluations: the quality of relationships (between donor and NGO, between Northern NGO and local partner organization, between all these and 'beneficiaries'), and the process or methods through which NGOs and CSOs work (e.g. trying to empower women or address the needs of the most excluded at the same time as meeting specific output targets). Both are aspects of reciprocity. The 2006 UK White Paper does mention empowerment of women and girls through NGO activities, but does not consider how NGOs come to be good at this type of work as a result of their value basis.

Concentrating on impact implies measuring the short-term performance of interventions or organizations, and may disregard sustainability (see e.g. LaFond, 1995). Some authors go further, arguing that pressure for measurable accountability actually acts *against* sustainable development. For example:

> the demands of sustainability contradict the requirements for an unambiguous demonstration of [NGO] achievements. To be sustainable, benefits of external inputs must be generated from changes in economic, social, political, environmental and other processes – which continue once external assistance withdraws. To achieve this, the outcomes of an [NGO's] activities must merge into ongoing processes rather than clearly stand apart from them. ... If they do their work properly, [NGO] effects cannot be kept separate in order to be measured. (Fowler, 1997: 162–3)

A fourth point is about the relationship of NGOs and other CSOs with government agencies. The dominant donor rationale sees NGOs either playing a part in holding governments to account or else filling in gaps in services where governments cannot or will not provide them. But there is also the possibility of working in partnership with government, either through 'co-production' of services by governmental and non-governmental actors (Tendler, 1997) or 'co-governance' in the political and policy arena (Ackerman, 2004). However, although the 2006 UK White Paper repeatedly calls for government and civil society (and indeed the private sector) to 'work together', this remains rather vague. Neither 'co-production' nor 'co-governance' ideas seem to figure in current donor thinking.

Fifth, NGOs' service delivery and promoting 'voice' or rights work are not necessarily separate but may reinforce each other. Thus, for example, developing a new and innovative approach to a particular service will provide that NGO with experience and data to inform lobbying for a change in approach by state agencies. Similarly, a participative style of service provision can lead to empowerment as well as staff satisfaction and hence underpin advocacy or demands for rights.

To illustrate this point, consider the following case study, taken from research by Johnson and Thomas (2003, 2004). A Ugandan NGO shifted its aims from providing services for children with disability (CWDs) to promoting their rights. The idea was to achieve an institutional set-up with an expectation that provision for CWDs should be included in state services, so that the resources of other agencies (schools, ministries) would be leveraged in and accountability demanded if services did not become available. Rather than abandoning the NGO's own work with disabled children in favour of a combination of state provision and a lobbying role for the NGO, its director insisted that the NGO should continue providing services which embodied the notion of rights for such children by treating them with full respect, as a means of promoting these rights more generally. This was undertaken at the same time as participation in the national poverty strategy forum and lobbying nationally and internationally for the rights of disabled children.

This combination seems crucial (rather than concentrating either only on service delivery or only on lobbying). Grassroots involvement motivates staff and helps to maintain the organization's values internally, while at the same time providing credibility as well as the evidence of detailed examples to assist the lobbying effort. Conversely the policy involvement and networking strengthens the NGO's commitment to children's rights and participation, and reinforces its resolve to carry these particular values through into its everyday practices.

Finally, NGOs and other CSOs have a strong role at a global level which is underplayed by concentrating on the role of 'voice' in holding individual governments to account and the 'impact' of services provided in particular countries. The 2006 UK White Paper has a chapter on promoting good governance internationally, which has just a couple of mentions of CSOs with respect to particular examples, but no systematic role for global civil society, and another chapter on reforming the international development system which does not mention civil society and only discusses NGOs with respect to improving the international response to humanitarian crises. Similarly, in the chapters on promoting peace and security and managing climate change there is virtually no mention of NGOs or civil society and certainly not of their potential global lobbying role. This is a remarkable

omission from DFID's rationale for working with NGOs, particularly since apparently it was admiration for global civil society campaigns like Jubilee 2000 and Make Poverty History that led DFID to incorporate such a strong 'voice and accountability' role for civil society in their model of good governance.

In conclusion, it appears that the value basis of NGOs and other CSOs is in danger of being devalued. At the beginning of this chapter we noted the diversity of values and interests underpinning NGOs and other CSOs. I argued that many of these values can be brought together under the rubric of reciprocity (Polanyi, 1957), as an organizing principle that differentiates NGOs from both private-sector and government agencies. NGOs' work can be divided into their political role in civil society and their practical role in providing services. Donors such as DFID conceptualize their work with NGOs mainly in terms of these two roles, but in each case they are expected to perform in a very limited way, conforming to a prescribed model based on the rationales of 'voice' and 'impact'. This tends to ignore or downplay the importance of reciprocity as an organizing principle, and the variety of values underpinning the way NGOs relate to development within this principle.

What are the implications? We should not throw out the baby with the bathwater. The 'voice and accountability' agenda is a great advance on what went before. Where there is recognition of the contested and conflictual nature of the issues, as in the Southern African example, there seems to be a very good basis to build on. But it also seems essential not to lose what is specific and uniquely valuable about NGOs by making them fit into simple linear models.

In DFID's case, the recent paper *Civil Society and Development* also mentions civil society's roles in conflict resolution, global advocacy and innovation in service delivery approaches, plus an 'elusive' role in 'global fellowship and solidarity'.[9] These ideas are found very little elsewhere in recent DFID documents. They probably represent a description of the variety of roles played by CSOs in different parts of the world, where they have various histories of action and relate to donors such as DFID in many different ways. It is not clear if the simpler dual rationale of 'voice' and 'impact', found for example in the 2006 White Paper, is likely to be imposed more strongly in the future, with the concomitant danger of 'squeezing out' other valuable aspects of NGOs in respect of development. The alternative is that the variety of civil society roles in *Civil Society and Development* shows the potential for DFID policy, and hence that of other donors, to evolve in a way that brings back a recognition of the importance of the variety of values motivating NGOs and other CSOs, particularly the underlying principle of reciprocity.

Notes

1. Part of the introductory section is based on material published in the *Handbook of International Development Governance* (Clarke and Thomas, 2005). Some of the data were collected for use in a study of DFID's Engagement with Civil Society commissioned by the National Audit Office. Thanks to Gerard Clarke for his collaboration. Thanks too to Diana Mitlin and participants at the Manchester Conference for their critical comments. The overall argument, and its weaknesses, are mine.

2. www.brac.net/about (accessed 5 March 2007).

3. www.dfid.gov.uk/aboutdfid/DFIDwork/workwithcs/cs-how-to-work-intro.asp (accessed 6 March 2007).

4. www.southernafricatrust.org/background.html (accessed 5 March 2007)

5. Governance and Transparency Fund Criteria and Guidelines, www.dfid.gov.uk/funding/gtf-guidelines07.asp (accessed 6 March 2007).

6. See note on Aid Effectiveness on DFID website: www.dfid.gov.uk/mdg/aid-effectiveness/what-is.asp (accessed 6 March 2007).

7. www.dfid.gov.uk/casestudies/files/africa/tanzania-malaria.asp (accessed 26 February 2005); for an update see www.dfid.gov.uk/pubs/files/tb-malaria-control.pdf (accessed 6 March 2007).

8. www.psi.org/about_us/explained.html (accessed 6 March 2007).

9. www.dfid.gov.uk/pubs/files/civil-society-dev.pdf (accessed 6 March 2007).

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