

**NGO DILEMMAS:**  
**TROJAN HORSES FOR GLOBAL NEOLIBERALISM?<sup>1</sup>**

Tina Wallace

Recent critical writings on NGOs, whether stressing their role in fostering 'a new type of cultural and economic colonialism',<sup>i</sup> or in becoming 'an increasingly important part of the international regulatory system' of global capitalism,<sup>ii</sup> have unfortunately painted an over-generalised picture, failing to capture the concrete mechanisms and specific effects of what is a complex and contradictory process. This process needs to be understood in terms of the way in which over the past decade development aid conditionality has moved from the strictly economic sphere into every aspect of social and political life. It is now commonly accepted for aid donors, on which development NGOs are increasingly dependent, to make demands around social policies, budget allocations, democratic structures and systems of accountability.

As a result NGOs now have to work in a context where many of their strategies and approaches are set and monitored closely by external donor agencies. It can sometimes be hard to remember the previous core aims set for development NGOs (e.g. improving the environment, developing service delivery models, 'scaling up', promoting popular participation, micro-finance, strategic planning), as new ones come on stream all the time (e.g. advocacy to change policies, rights-based approaches, 'gender mainstreaming', accountability and transparency, impact assessment).

This process is fuelled by changing foreign policy positions, along with the outputs of think-tanks and certain key individuals - often funded by the same donors that fund NGOs. Evidence-based research does not noticeably shape this analysis, which appears to be influenced more by changing macroeconomic ideologies. The roles civil society and NGOs are expected to play have shifted as the dominant paradigms have moved successively from a focus on the state as the key to economic development, to markets, to an understanding of market failures. This has been accompanied by an increased emphasis on other development players to complement the market, and most recently to monitor the 'enabling state', which (the argument now goes) needs to drive development but which has to be regulated; this job has been allocated to 'civil society' – a confused and ahistorical term deployed to promote this development model. These are largely theoretical positions, distant from the rough-and-tumble of lived experience.

---

<sup>1</sup> From Socialist Register [www.yorku.ca/socreg](http://www.yorku.ca/socreg) by permission of Merlin Press [www.merlinpress.co.uk](http://www.merlinpress.co.uk)

This is the wider global context in which development NGOs now work and try to facilitate processes of positive social and economic change. This essay shows that as northern NGOs increasingly rely on official donor funding and goodwill, and as the conditionalities attached to that aid increase, they are inevitably drawn into supporting and even spreading many aspects of the dominant global agenda. In addition northern NGOs are rooted in their own societies, and increasingly draw trustees and even chief executives from the business sector, and so import tools and approaches drawn from business. These are based on the 'new public management' paradigm and embedded in northern principles and analyses of what count as effective interventions. The increasing use of these tools and approaches, adopted to ensure funding flows, plus the increasing professionalisation of the NGO sector, pushes many NGOs into becoming carriers of these concepts, values and practices.

There is a contradiction at the heart of these processes at every level, and especially for NGOs. The current interventionism and models of control and accountability are in stark contrast to the stated commitment at all levels – from the World Bank, the UK Department for International Development (DFID) and USAID, to the NGO sector itself – to widening the real participation of 'civil society' and poor people in democratic processes. 'The people', especially the poor, are supposed to increase their inputs into policy planning and implementation processes, and to take responsibility for their own development. But current policy and practice in development aid belie this commitment, and follow a top-down approach, reflecting an agenda heavily set by a few key institutions and players. This essay argues that NGOs are, perhaps unwittingly, increasingly part of this approach, limiting their perspectives and excluding new ideas and different ways of thinking and analysing. Doing this they destroy rather than promote the rich organisational culture that Amartya Sen<sup>iii</sup> and many others believe is essential for democracy to flourish.

Of course many NGOs in the north, and increasingly the south, officially oppose many aspects of the dominant trends: in world trade and the role of the World Trade organisation for example, and around debt (Jubilee 2000 being a notable example of co-ordinated opposition to IMF/World Bank and donor practice). They campaign for human rights, less loudly for women's rights, and for the environment. They recognise that wider processes and conditions can undermine changes achieved on the ground in development, and they campaign on specific issues that concern them most. It is noticeable, however, that few lobby around the tight conditionality governing donor aid to governments in the south, and indeed Jubilee 2000 tied debt relief to a series of conditionalities set by the NGO sector itself, concerning health and education spending.

These campaigning efforts are also often marred by the lack of co-ordination between NGOs: competition for hearts and minds as well as funds, and a desire to raise NGOs' profiles, diminish the impact of some of this work,<sup>iv</sup> as does that

fact that NGOs increasingly rely on those they are critiquing for funding and for access to the corridors of power. Most campaigns, moreover, are limited to attacking specific aspects of the neo-liberal agenda; there is almost no deep questioning of the roots of that paradigm. And despite their rhetoric most NGOs campaign on behalf of the poor as part of the global elite, rather than trying to ensure that the poor get proper opportunities to be represented and voice their concerns. The desire for a high profile often means a rush to be seen as an important voice, without a concern for the wider implications of this, or of who they may be disempowering.

This essay focuses on who is setting agendas and the relative position of NGOs within the wider development context. It concentrates especially on the larger NGOs and those heavily dependent on donor funding. It does not attempt to analyse the value and relevance of NGO work on the ground, some of which certainly has real value for poor and marginalised people. It also ignores those NGOs who receive or ask for little or no official external funding, and those radical NGOs, which certainly do exist especially in the fields of e.g. gender, sexual and reproductive health, environment, and trafficking that are exceptions to the broad trends identified. It does, however, explore the question of whether the way NGOs are now funded and run is preventing many of them from achieving their stated aim of empowering the marginalised and combating poverty. How far are they becoming – knowingly or unthinkingly – carriers of the beliefs, policies and procedures of a global agenda, which many of them overtly oppose?

The number of northern NGOs has increased over the past twenty years. In OECD countries they grew from 1,600 to 2,500 between 1980 and 1990. The material in this essay is drawn largely, but not exclusively, from research on NGOs in the UK, Uganda and South Africa.<sup>v</sup> The UK sector and its funding have many peculiarities, but many European countries share similar features and some indeed are now following trends started in the UK. Some features of donor-NGO relationships in the UK have been experienced even more strongly in the USA.

As in most other countries, the development NGO sector in the UK is very diverse. Many agencies have grown up within the last ten years, while a few have been in existence for over 40 years. They vary in size from household names with incomes of over £30 million a year, and a few with over £200 million in annual turnover, to innumerable small and specialised NGOs. Some operate from the UK directly, others implement their work through locally-based field offices. They differ in targeting and identifying where they want to work, some tackling all aspects of poverty, while others focus on children, women, the disabled, street children, people with HIV/AIDS, or the blind. Some work on rural issues, others - far fewer - tackle the problems of the slums. They work in different countries around the world and focus on different sectors - health, water, education, environment, social welfare, transport, libraries, and so on. For the

most part they share a generalised focus on poverty, but with little definition or theory to explain the relationships of exploitation that bring it about. They avoid analysing the nature and consequences of capitalism; instead they grapple with various categories of 'the poor', identifying their heterogeneity through the lenses of gender, class, age and so on.<sup>vi</sup>

A lot of work has been done developing typologies of NGOs<sup>vii</sup>. In the mid-1990s, however, in spite of all their differences of ideology, focus, origin and modes of operation they shared many characteristics and ways of behaving when it came to accessing, disbursing and accounting for aid. These characteristics were being shaped increasingly by their donors and their growing interaction with management thinking in UK through trustees invited in from the business sector.<sup>viii</sup>

One differentiating factor does seem to be emerging as critical is financial size. The largest NGOs in the UK, and indeed globally, are now transnational players with access to significant resources, investing heavily in fundraising, marketing and increasing market share around humanitarian and advocacy work, which for many have become more important than development work. However, even the largest players do not buck the trend of growing reliance on and closeness to official donors and international development agencies.

## **Funding trends**

Figures on funding to NGOs as a percentage of overseas development assistance are notoriously difficult to collect and often unreliable. NGOs in UK also increasingly access bi-lateral, and even multi-lateral, funding through contracts, and money can also be accessed in countries in the south as well as from UK, so it becomes more and more difficult to be precise about how much NGOs actually get, or how important they are as users of official aid. The overall global flow of funding through NGOs, however, increased from \$200 billion in 1970 to \$2,600 billion in 1997.<sup>ix</sup> Using the DFID's own figures provided to the Development Assistance Committee (DAC) of the OECD, total UK NGO income was £428 million in 1998/9. Forty three per cent of this - a total of £182 million - came from DFID; the rest came from the public, other donors and trust funds.

The total revenues and coverage for some of the largest global NGOs help to underline their significance as players on the global development stage. The Oxfam family had a turnover of \$504 million in 1999 and worked in 117 countries; World Vision had over \$600 million and worked in 92 countries; Save had \$368 million and worked in 121 countries. Seven of the largest NGOs had a combined income of \$2.5 billion in 1999.<sup>x</sup> The major donors to the UK NGO sector, other than members of the public, are DFID, the European Union, Comic Relief, the Community Fund (money from the lotteries), and a large number of small trusts

including Nuffield and the Princess Diana Fund. DFID is the most significant institutional funder and has funded a plethora of NGOs in UK over the years.

There have been many complaints that funding to UK NGOs has dropped recently, as DFID policy shifted away from funding through the private sector (including NGOs) towards more support for governments. DFID funding earmarked for NGOs, however, has not fallen overall, and was £184.2 million in 2000/1, including emergency allocations.<sup>xi</sup> On the other hand while funding to NGOs has not significantly dropped, the way it is allocated to NGOs has shifted significantly. There has been a rise in 'block funding' for a number of agencies - in the past only 5 received block funding. Under the new partnership agreements (so-called PPAs) DFID is increasing the number of NGOs they allocate block funds to, but within strict frameworks. A PPA can only be signed when the work undertaken by the NGO fits tightly with DFID's agenda and policy approach. Over time these frameworks are becoming increasingly prescriptive about what DFID money can be used for and how it is to be accounted for. A new agency, the **[spell out full name]** (PARC) has been established to assist these NGOs to meet DFID demands concerning planning, monitoring and evaluation, and to find ways to measure and demonstrate effectiveness.

And DFID funding for the rest of the NGO sector has fallen. Much less funding is going through DFID's 'Civil Society Challenge Fund' (CSCF) than went through the previous 'Joint Funding Scheme' (JFS), and the conditions have changed radically. The JFS funded NGOs to work on projects they had designed and developed, in countries they selected, and major battles were fought and won to keep this fund free from constraints. It was seen as a fund supporting NGO initiatives. In contrast, the CSCF is only available for NGOs working in DFID priority countries, in areas DFID wants to focus on, and incorporating approaches DFID wants to promote.

This switch has had a profound effect on many medium and small NGOs, which focus on sectoral skills and undertake service delivery. They have found it increasingly hard to access DFID funds, as have those working in contexts where rights and asserting rights is almost impossible. A recently rejected small NGO asked why their proposal had been refused. They were told it was because they had not addressed the issue of poor people claiming their rights. However no-one was able to explain how or where people living under conflict and without a government in areas of Southern Sudan could possibly go about claiming their rights. Or how a population decimated by war and lacking even basic education could begin to grapple with such a requirement without first addressing issues of education, skills and organisational development – as the project proposed.

Access to DFID funding for many UK NGOs has also been undermined by a switch of some funding to local DFID offices, to be invested directly in NGOs in that country. While the larger UK NGOs have in fact managed to access some of this funding through their southern field offices (often in competition with their

local 'partners' in that country - a major ethical issue few appear to be grappling with seriously), smaller and medium-sized northern agencies have been largely excluded.

Another form of NGO funding, mentioned above, has been a rise in contracting . NGOs are now invited to compete and bid for DFID contracts. These are designed by DFID to meet its agenda through using sub-contractors, who will implement the projects and account for the funding and impact of the work. NGOs compete with both governments and the private sector for these contracts. Relatively huge sums of money are available through contracting, and while even Oxfam finds it hard at times to compete for contracts with professional consulting agencies and firms, NGOs do occasionally get access to these funds, which can carry up to £15-£20 million for the agency. It is only the largest agencies that can attempt to compete for contracts, and even they often struggle at the implementation phase because the contracts are vast compared to the scale of much traditional NGO work on the ground. It is one thing for an agency to learn how to work well in a given country on water or HIV/AIDS, alongside good local partners. It is quite another to try to manage a multi-country programme, working in countries new to the agency where relationships are not yet formed and the context is poorly understood. Or to move from working with several partners at the local level to a single service delivery model designed to cover vast areas of a country.

The broad trends of DFID funding are that they increasingly favour the larger NGOs; in 2000/1 the five agencies most funded by DFID received 59% of all DFID's designated NGO funding, excluding contracts.<sup>xii</sup> Money is also now tied to DFID's agenda and priorities much more closely than it was five or six years ago, when DFID still accepted that NGOs should be helped to work in countries where DFID itself did not work. It is tied to a range of conditionalities, shaped by DFID's analysis and understanding of the role it wants NGOs and the wider civil society to play in development. That role has changed from the one applauded in the 1990s - service delivery and how to 'scale up'<sup>xiii</sup> - towards a watchdog, advocacy and monitoring role for NGOs in countries DFID prioritises. As DFID moves away from project funding to support for governments, it has huge anxieties about how to monitor and account for the use of its aid money and has designated NGOs as guardians of government spending and promoters of rights in contexts where democracy is often weak.

These trends are echoed in the EU, which after a period of crisis reshaped its NGO funding strategy. It moved towards a bidding process, following a call for proposals.<sup>xiv</sup> The EU develops bids in line with its development priorities and strategies, again taking the initiative away from the NGOs. There is some limited room for negotiation and discussion around the small print of contracts, and the argument of some NGOs, seeking to increase both their funding and their influence, is that taking money from the EU or DFID allows a relationship and a dialogue to develop. They rarely analyse the reverse process, and ask how this

relationship shapes and influences them. The experience of many of those involved is that the room for manoeuvre is actually negligible, but quite a few of the larger NGOs choose to believe that a rise in funding means a rise in their influence with the donors.

Two other significant donors are Comic Relief (CR) and the Community Fund (CF), with allocations of £17 and £13 million respectively in 2001. They are more flexible about funding criteria. However, as CR grows and staff are under increasing work pressure, a team of assessors has been appointed and trained, and they are often drawn from a pool of people versed in DFID assessment and reporting requirements. CR has to work hard to ensure their assessment processes remain as open and responsive as possible, and do not mirror too closely the increasingly tight funding procedures of EU and DFID. The same applies to CF, which anyway has a much more rigid assessment system based on a long questionnaire approach used by external assessors. The turnover of assessors, the length and complexity of the forms, and the fact that NGOs themselves, and many assessors, are well versed in DFID approaches, means they risk following those procedures, even though the principles of the CF are very different.

CR and CF, along with small foundations such as Barings and Nuffield, have nonetheless provided a lifeline to many small and medium NGOs hit hard by the changing focus and priorities of the EU and DFID. It remains to be researched whether small UK NGOs attempt to do their development work differently from the larger NGOs. They are certainly as constrained by donor policies and procedures, indeed probably more so. However, anecdotal evidence suggests that they are very careful with their use of every penny, and are driven by a different ideology and commitment from some of the largest, more bureaucratic NGOs. They certainly share many experiences of powerlessness and insecurity with their local partners in Africa, and may be more open to negotiation, discussion and shared decision-making with them.

The changing priorities of government have included re-aligning NGO roles to complement the changing focus of DFID's work with states. The shift away from supporting service delivery and NGOs' own agendas has been accompanied by a desire to broaden the notion of 'civil society' and its role well beyond the development NGO sector<sup>xv</sup>, forcing them to compete for funding with a wide range of other players.

A final factor shaping the funding context for UK NGOs has been the growing demand within the UK generally for demonstrable impact and performance results. Targets, 'league tables', and 'performance indicators' dominate the domestic scene in education, health and social services, and even prisons and the police; and this trend is reflected in the Millennium development targets which now dominate much development funding and debate. This target-driven

approach has been critiqued by many. The think-tank Demos, for example, remarks that

The demands and expectations of central and local government- with their strict performance criteria, emphasis on qualitative outputs and formal participatory structures, such as local strategic partnerships- all act against communities achieving their aims.....as this report shows, a heavy audit culture often breeds an atmosphere of distrust and risk aversion, which encourages uniformity in programme design and inhibits the distinctive contribution that Community Based Organisations make' <sup>xvi</sup>

The 'audit culture' is predicated on the fear of people cheating, thus undermining their sense of being valued, and the role they feel they could creatively play in their work. It is a culture that, of course, fits very well with global concerns about corruption and the misuse of funds in both government and non-government organisations in the south.

### **Effects of NGO dependency on donor funding**

Many small and medium NGOs may be almost 100% reliant on one or two donors for their work, which is funded project by project. They have no other real choices because their work is too unknown or unpopular, or because they are too small to do much in the way of independent fund-raising from the public. These agencies find themselves in a similar position to most NGOs in Africa, almost totally dependent on the goodwill and funding of other agencies for their survival. Larger NGOs, and those able to raise public funds through shops, child sponsorship, liaison with a particular industry (e.g Wateraid which raises money through the water industry through direct mailing to their customers, and Transport Aid that receives funding from the transport industry) should, in theory, be less tied to or reliant on DFID, the EU and other funders' shifting priorities, policies and procedures. However, a number of other factors come into play that tie them too quite closely to these donors' agendas.

First, many NGOs want to increase their share of official funding. In the 1980s a major church agency debated whether or not to take *any* official funding, many of its personnel arguing this would compromise their independence, values and ethics; in 2002, by contrast, many UK agencies were commissioning research into how to increase their share of official funding. Discussions of the difference in values between donors and NGOs, and the possible effect on values, mission and mandate, are not heard anywhere - except perhaps in private internal NGO meetings.

The argument for growth is – to oversimplify – that more money enables the agency to do more work and so, given its aim of addressing poverty, alleviating suffering and promoting rights, growing larger is necessarily a good thing – even though many NGOs are worrying internally (and even in public forums) about the value and effectiveness of their development work, and the huge challenges they face really promoting positive social change and transformation. At a recent meeting in Oxford a journalist challenged European NGOs about the lack of profile of development in the media – 'why are you not getting your stories into the press?' He pushed them hard, resulting in the following comment (echoed by several present): 'we have few stories of development success to tell'. The crisis of development work and its relevance is reflected in the ever-growing piles of internal monitoring and evaluation manuals, the growing external clamour for impact assessment and proofs of effectiveness – tied to the 'new public management' paradigm.

Secondly, discussion around the ethics of funding is muted – so much so that, for example, very few of the agencies interviewed had any policy at all about whether or not to try and access direct 'southern' funding – even when this put them in direct competition with southern NGOs; and few appeared to have any qualms about the amounts of official funding they received. One large agency that used to have a 10% rule is now happy to receive up to 50% of all its funding for development work from official donors. Teams of professional fundraisers have been brought in: in some agencies several posts are designated for raising institutional funding world-wide. The drive for growth, strong in many UK NGOs, especially those with incomes of over £10 million, and certainly those with over £50 million, appears to override any serious discussions about whether official funding can subvert an NGO's values, mission, or even its advocacy work. It also overrides serious analysis of the organisational and management issues raised by rapid growth. Yet fast growth, and the need to keep up with spending the money raised, clearly has a negative impact on the ability of staff to stop and reflect, and may change patterns of recruitment and management in ways that can conflict with an NGO's founding values.

Trustees and Chief Executives certainly want to see growth and increased power, influence and significance for their NGOs. The competition between NGOs is legendary, and pushing for increased profile, funding and market share drives many boards and directors. This is perhaps inevitable, given how dependence on donor funding has increased, and the growth of such funding in the 1980s fostered the creation of many small and medium sized NGOs. Now times have changed and the new millennium is seeing the demise of a number of small and medium NGOs, while others struggle to merge, or transfer to Africa, as institutional donors tighten their agendas and seek to fund only projects and programmes that fit with their priorities.

There are also other new and increasingly important aid conditionalities that have an impact on NGOs, especially the procedures for the management of aid and

constantly shifting policy foci. The current emphasis is on poverty, complemented by a rights-based approach, combined with seeking policy changes and the ability to demonstrate that all this is having a positive impact on poverty. The roles assigned to NGOs shift from service delivery to capacity building, from capacity building to facilitating networks, from facilitating networks to acting as watchdogs, from being watchdogs to lobbyists and monitors of government probity... Changing donor fashions are well known, even if few agencies have found any way to resist them. Indeed many NGOs play a part in generating the next wave of ideas, in their discussions with key players in donor and development agencies, universities and think-tanks.

### **The dominant tools for administering development aid**

What is less discussed are the tools of aid management, yet these also play a vital role in shaping the nature and quality of aid relationships (partnerships), and in determining what capacities are needed to run NGO programmes and projects. They carry specific cultural values, definitions and understandings around change and the relative value of skills and capacities held in the north and in the south. These procedures have become so universal that the language of aid management has become universal too. Small community-based organisations (CBOs) from India to Mexico, Ghana, South Africa and Uganda all know the language of 'logframes', a tool now almost universally used in development planning and implementation, in spite of its many well recognised shortcomings.<sup>xvii</sup> It is essentially a matrix, based on a logical analysis of the problem to be solved, the inputs needed to solve it, the time taken to achieve the required outputs, and a clear set of indicators for measuring achievements against this clearly laid-out plan. The key elements and processes of 'strategic planning' are followed in country after country, by organisations from small women's groups to large umbrella networks. Organisations at parish, district and country levels can tell you of the need for impact indicators, SMART objectives, and 'results oriented management'. Right down to the village level you will hear development discussions interspersed with the English words for goals, aims, objectives, mission and vision, outcomes and so on: 'Instead of a diverse, heterogeneous mix of projects, ideas and practices, which are locally derived and designed, we see powerful waves of global development fashions sweeping everything before them.'<sup>xviii</sup> Indeed it could be argued that northern NGOs, together with their partners – those they fund and support in the south – have become highly effective distributors of a set of approaches and procedures for development that could be said to rival Coca Cola in reaching down to the grassroots.

In spite of differences between NGOs in this respect - differences which can be important in shaping work relationships and providing more or less space for creativity – some tools are now used almost universally . Such a situation was

unthinkable even seven years ago when models, approaches, procedures were very varied and reflected the ethos and approaches of different agencies. For example, one large UK NGO had very relaxed grant-making procedures, working on the maxim of providing support to organisations trying to do useful and interesting work, while another had very rigid application and assessment forms, tight reporting against a few key criteria. Church agencies particularly worked with their partners in quite collegial ways, with little emphasis on paperwork, aims and objectives, and more on building relations of trust and working to support local church agendas.

Whatever the pros and cons of that context it has now gone, and has been replaced by many elements of the 'new public management' with a focus on change as a logical process, controllable, measurable and accountable. Impact is expected quickly and has to be measured against agreed criteria, inputs have to be specified in advance and good reasons have to be given before changes can be made. The process is dominated by business plans, work plans, plans against logframes, and detailed procedures for reporting, monitoring and evaluation, and longer-term impact assessment.

These tools have been developed in the north, by special departments, consultants or agencies working to support NGOs in meeting donor requirements. They have a range of names and acronyms: ALPS, Camel, Promise, Sprouts and so on. A great deal of time is spent in training people to use them, both in the north and in the local field offices and NGOs based in the south. All development schools, training providers and capacity-building organisations in the UK specialise in teaching NGO staff how to do strategic planning, how to develop logframes, how to do monitoring and evaluation against logframes, how to do SWOT (analysis of Strengths, Weaknesses, Opportunities and Threats, usually done through brainstorming), and financial accountability, report writing and impact assessment. In turn many UK NGOs run courses for staff and partners in the south using these tools, or support their staff to attend locally-run training courses.

While other training courses are also provided – for example in participatory techniques, in gender analysis, in advocacy work – far more time is spent on aid management training than any other kind of training. These are the courses that are over-subscribed, and only one training institution in South Africa had refused to work with these tools and was working on a totally different set of understandings about what is needed to deliver good development.<sup>xix</sup>

Research found these tools to be almost universally used, and also found several similar trends resulting from their increasing use. Examples of the kinds of relationships dominated by the disbursement and accounting for aid money within tight frameworks, were graphically presented by research teams from Uganda and South Africa to a meeting at Actionaid in London in April 2003.

One clear conclusion was that strategic planning had put the power and control of what was to be funded back into the control of agencies in UK, where in most cases strategic planning was undertaken. Even where it was done more consultatively, many final decisions that shaped the plans were taken in UK on the basis that only people based there could understand the global as well as the local contexts for the development work. This had disempowered local partners, who often had to ensure that their projects now fitted the global plan of a northern NGO to secure funding.

Logframes carry many many cultural understandings with them. They are always written in English, and even if initially developed in a participative way between communities and the field staff of partner CBOs or NGOs, they are usually revised and rewritten as they climb the development bureaucracy. This is to ensure that by the time they are submitted for funding they meet the current priorities, language and concepts of the donor – be that a northern NGO, or DFID. While staff in NGOs and donor organisations talk of 'participatory' logframes, in fact they often treat them as blueprints which they have helped to shape. Approved logframes are often unrecognisable when compared to the original concepts developed participatively, leaving implementing staff with many problems in generating local 'ownership' of the approved project. For example, while local women may have prioritised access to better health care, or developing their local group for savings and credit, funders think this approach is no longer appropriate, and so it gets modified. The proposal may instead propose that the women will learn how to lobby their local council for the health care they have a right to – even in contexts where the local council may be corrupt, or dominated by one ethnic group, or where there is no funding available. They will be told to connect to wider institutions of micro-finance, which have their own regulations, rules on interest charges and so on, which may not serve the original needs the women identified. Groups may have to organise in new ways and develop plans, accounts and monitoring that fit the donor organisation's needs, even when they have little or no literacy and have to bring in outsiders to help them with this. Thus they lose control and even understanding of the processes of development work. Groups may have prioritised health but get water, or prioritised poverty and get HIV/AIDS projects.

In fact in some cases front line staff are not able to use the logframe in implementation at all, but proceed to work in ways that make sense to local people on the ground. However, reporting and evaluations have to be against the logframe, causing real problems. Often the work on the ground is one component and reporting is done by someone else with more skills in writing and English. Many NGOs in the south hire consultants to help them write acceptable logframes, while in other cases the NGO in the north tweaks and finalises the logframe for approval. Some NGOs live happily with these ambiguities and conflicts of rhetoric and reality, although in every organisation at some level discomfort and contradiction are experienced around this approach to project planning and implementation.

When these consequences are reported back to donors and NGOs it is interesting how many people laugh them off as minor difficulties – yet would a builder use plans for building a house that were of no use in practice? Does it make for good development practice to devalue and take decision-making away from the very people and organisations you claim you are trying to empower and build up?

Moreover there is a lot of evidence that the new tools of management and accountability, which have such high costs for real development, are not in fact used by the donors. There has been an exponential growth in the demand for written reporting, financial, qualitative and quantitative. NGO staff at all levels now put hours and hours in to writing detailed reports, often in logical formats. They all say this detracts from the time they have for their fieldwork, or for reading or attending network meetings. Often reports are hugely time-consuming because they are usually required to be in English. Yet research shows that at every level right up to the top no-one has the time to read, digest and comment meaningfully on these mountains of reports. Many lie unread in piles on office floors, others are read by external consultants whose feedback may be at odds with the initial purposes of the project, others are read quickly by harassed staff and filed away and rarely used. Yet the demand for more detailed reports rises inexorably.

Donors demand more and more from the NGOs they fund, calling for concrete evidence of positive change, even when tracking official aid and accounting for it, let alone measuring its impact is notoriously difficult. A recent Development Effectiveness Review for DFID, 2002, concluded that the monitoring and evaluation systems needed for tracking and assessing the impact of official aid, totally billions of pounds, were not available. So financial reporting requirements for NGOs have been tightened, while less and less money is allotted (except by CF and CR and one or two trusts) for core costs and administration, making the running of NGOs increasingly difficult. At a time when NGOs have to promise more in order to secure funding, they receive less for their core costs and the demands on them around aid management rise year on year. Now only larger NGOs with independent funds are able to find the funding for reflection, learning, analysis and new development thinking.

While there is constant talk of downward accountability in the aid chain, the reality for most NGOs is that accountability is upward. Meeting the needs of the next level up in the chain overrides the needs of all other stakeholders. While programme approaches and partnership agreements were meant to get away from the straight-jacket of project cycle management and reporting, in practice reporting against programme and even global targets imposes even more demands on local NGOs. It forces them to see and present their work in relation to global agendas set far away. The search for global indicators and proving

'global impact' dominates much of the work of impact assessment units in the UK, in agencies that are in receipt of partnership grants from DFID<sup>xx</sup>.

Yet within the NGO sector there appears to be an acceptance of this, and even passivity about the increasingly tight frameworks for managing development aid. Indeed many staff in British, South African and Ugandan NGOs were unaware that there were any other ways of 'doing development', so universal have these approaches become. Many argue that they can learn these tools and work with them, so why make a fuss about them when there are big issues like poverty and debt to confront. Many seem relatively unaware of the negative impact they have on relationships, which are very hierarchical; few were raising any concerns about the cultural concepts embedded in these tools, or whether or not they were relevant to promoting good development. Most talked about having relationships of 'partnership' with agencies at every level, from donors down to local NGOs, yet the way aid is working does not foster open relationships, or the equal valuing of the different skills of different parties, or respect for different cultural norms.

Indeed at the workshop mentioned above, where researchers from SA and Uganda criticised strongly certain aspects of the aid chain and the tools used up and down the chain, many aspects of these relationships which are rarely mentioned started to emerge. People talked of the colonial nature of many of them: racism was said to be a factor in the way northern agencies push their own agendas onto countries in Africa with little regard for local skills and knowledge. Issues of race, gender, religion and class were raised, suggesting that the new tools of management and accountability are used where trust does not exist or has broken down, and where people feel they are working with 'the other'.<sup>xxi</sup> This feeling was exacerbated when it was found that those NGOs in the south that had managed to break these rigid hierarchies and take different approaches had been led by white South Africans or expatriates in Uganda.

The contradiction between what donors do and what they say they want NGOs, and the wider 'civil society', to do, is starkly highlighted by recent developments in Uganda. There the World Bank and an academic institution in the UK are currently working with the Government of Uganda on how to better register, monitor and control the work of all NGOs in Uganda, and an NGO bill, seen as draconian by local NGOs, is passing through parliament. While NGOs are being encouraged through the funding criteria to work on policy issues and debates, recent research in Uganda showed that NGOs from both the north and south only participate in policy work at the invitation of northern institutions or the Ugandan government. They are not setting an independent policy agenda.<sup>xxii</sup> This is all too well illustrated by a quote from the donors' group in Uganda:

The country's macro-economic policies are close to perfect, socio-economic policies are very much OK ... (with a few exceptions...)  
Democracy, human rights, corruption, transparency, accountability and in

general the regional security situation are issues that concern us very much...(they concern) all donors and especially those putting in general budget support.<sup>xxiii</sup>

## Conclusions

The pressures on UK and other northern NGOs from both donors and trustees, and often chief executives drawn from the private sector, combine to push them to behave in certain ways and follow certain agendas. These are set globally by the Bretton Woods institutions, and by current management paradigms in Europe and USA, and transmitted by donors and NGOs directly to organisations in the south. Yet the rhetoric of development, especially poverty-focused development, is that it must be locally generated and 'owned', that it has to build strong local organisations and 'civil society' in order to be effective and sustainable. Countries wanting IMF/World Bank and bi-lateral aid flows in sub-Saharan Africa now have to complete Poverty Reduction Strategies (PRSPs), in which 'civil society' plays its designated participatory role. But the reality is different: 'The World Bank, IMF and governments (under the influence of the IMF according to critics) are not allowing debate and alternative views on fundamental questions of economic policy. The participation in economic policy-making to which civil society is being invited in the PRSP process is strictly limited'.<sup>xxiv</sup>

Current ways of working in northern NGOs, adopted because of pressures to become more professional, to make complex development realities manageable, and to obtain funding – all donor requirements – increasingly follow agendas set by the multi-and bi-lateral organisations. They often appear to be only infrequently offering an alternative voice or a source of alternative values, ideology and thinking; they more often appear as extensions of the dominant aid agenda.

NGOs feel increasingly pressured to play roles and take up positions they may not feel comfortable with, and many ameliorate this with work critiquing aspects of the world economic system through their advocacy work. But this falls far short of an analysis and rejection of the relations of exploitation and the forces that lead to the growth of poverty in Africa, and seems rather a piecemeal picking away at the edges. In contrast some have adopted all the new policies and procedures with alacrity and even claim to be shaping the new global agendas through dialogue with donors. Others, especially some of the medium and smaller ones, and individuals or departments within the larger agencies, do hold to alternative analyses and worldviews, but feel increasingly disempowered; for many their very existence is threatened by the new funding priorities. Many staff have been forced to leave NGOs they felt committed to as the values they held dear appear eroded by the new incorporation of NGOs into global agendas.

In turn the northern NGOs are increasing their hold on local organisations and NGOs in the south. Some of them are competing directly with southern organisations for funding, others are passing on the tight conditionalities of their funding; a few see themselves as mediating between the demands of northern donors and the real needs of southern NGOs and populations. These processes and demands are forcing southern NGOs to learn and comply with northern agendas, creating a set of dependent organisations, not a vibrant and independent sector. This fits well with government agendas in the south, where NGOs are appreciated for their role in providing much-needed services to the poor, but not for creating independent organisations able to engage robustly with their governments and donors.

While northern donors claim they want to see such a strong civil society developing, and demand that NGOs play this role if they want to get funded, their position is highly contradictory. At the same time as donors are demanding that NGOs be independent watchdogs, monitoring weak or corrupt governments as they spend donor and debt relief money, they are moving towards funding local governments' budgets, which will require NGOs to access their funding in future via these governments. It is hard to see how NGOs can really be watchdogs and monitors of those they have to go to for funding.

Current funding trends and the influence of business sector management thinking are shaping the way development is conceptualised, analysed and addressed by development NGOs, reflecting agendas and paradigms developed by the rich and powerful countries. While there was never a golden age of NGOs, they are now becoming increasingly tied to global agendas and uniform ways of working. This reality threatens their role as institutions providing an alternative, as champions of the poor, as organisations working in solidarity with those marginalised by the world economy.

---

<sup>i</sup> James Petras and Henry Veltmeyer, *Globalization Unmasked: Imperialism in the 21<sup>st</sup> Century*, London: Zed Books, 2001, p. 132.

<sup>ii</sup> Joachim Hirsch, 'The State's New Clothes: NGOs and the Internationalization of States', *Rethinking Marxism*, forthcoming 2003.

<sup>iii</sup> Amartya Sen, 'Forward' in *Winning the war against humiliation, Report on independent commission on Africa*, New York,:UNDP publications, 2002.

<sup>iv</sup> These issues are well explored in Mark Lindenberger and Coralie Bryant, . *Going global: transforming relief and development NGOs*, Connecticut,:Kumarian Press,2002

<sup>v</sup> This essay draws on my own experience as an NGO worker and a researcher of NGOs over the last 15 years in the UK, with a special focus on Africa, especially Uganda. It draws on a three-country research project started in 1999, focussing on the forces that shape the work of NGOs in the UK, Uganda and South Africa. The researchers are: in the UK, Tina Wallace and Jenny Chapman; in Uganda, Patrick Mulindwa. John de Coninck and staff of CDRN, Kampala; Martin Kaleeba and Juliet Kiguli; and in South Africa, Lisa Bornstein, Terry Smith, Isaivani Hyman and Ansilla Nyar.

<sup>vi</sup> For the kind of analysis of the World Bank's relation to 'making poverty work' for capitalism that the international development community needs, see Paul Cammack, 'Making Poverty Work', *Socialist Register 2002*, pp. 193-210.

<sup>vii</sup> Typologies for NGOs and analysis of the wide range of organisations covered by this term are explored in many texts, including Thomas Carroll, *Intermediary NGOs: the supporting link in grassroots*

*development*, Connecticut: Kumarian Press, 1992. . Roger Riddell and Mark Robinson, *NGOs and rural poverty alleviation*, Overseas Development Institute: London, 1995. . Alan, Fowler, *Striking a balance; a guide to enhancing the effectiveness of NGOs in international development*, London: Earthscan. 1997.

<sup>viii</sup> Tina Wallace, Sarah Crowther and Andrew. Shepherd, *Standardising development: influences on UK NGOs policies and procedures*. Oxford:Worldview Press, 1997.

<sup>ix</sup> Lindenberg and Bryant, *Going global*, p4

<sup>x</sup> Lindenberg and Bryant, *Going global*, table compiled from data on pp 36-37.

<sup>xi</sup> It may have fallen as a percentage of total ODA spending, though, as DFID's budget has risen significantly since 1999. The figures for this section are taken from a longer paper by Tina. Wallace and Jenny. Chapman, The donor landscape for UK NGOs, presented to ISTR conference in Cape Town South Africa, July 2002.

<sup>xii</sup> These agencies are Red Cross, VSO, CARE, Save the Children and Oxfam

<sup>xiii</sup> These approaches were the subject of several NGO conferences in Manchester. Key papers are to be found in Michael Edwards and David Hulme, *Making a difference: NGOs and development in a changing world*. London: Earthscan, 1992 and Michael Edwards and David Hulme, *Beyond the magic bullet: NGO performance and accountability in the post-cold war world*. Connecticut: Kumarian, 1996.

<sup>xiv</sup> 200 million Euros remain for allocation through the co-financing budget, but a minimum grant size of 50,000 Euros makes even this funding biased to either larger NGOs or consortia.

<sup>xv</sup> DFID is currently searching out new civil society players to work in development, including the Trade Union Council and the General Medical Council. They found no-one outside UK NGOs could understand their jargon or complete their documentation for funding, so they are now training new public bodies in their development procedures to ensure involvement beyond NGOs.

<sup>xvi</sup> Demos report, . London: Demos, .2003

<sup>xvii</sup> Logframes and their limitations were well discussed in papers by Das Gupta, Rosalind Eyben and others presented at a Power and Participation workshop, , Sussex: IDS. May 2002. These are not yet published.

<sup>xviii</sup> Emma Mawdsley, Janet Townsend, Gina Porter and Peter Oakley, . *Knowledge, power and development agendas: NGOs north and south*. , Oxford:Intrac publications, 2002

<sup>xix</sup> This is Community Development Resource Association in SA. The writings of the first director (Allan Kaplan) and other staff members (e.g. James Taylor), presented especially through their annual reports, are becoming well known in development circles and provides a profound critique of current approaches to development, seeing development as interventions in life long processes for those on the ground; to be positive they have to be approached slowly, responsively and in ways that support local processes and understanding . See for example Allan Kaplan, 'Understanding development as a living process' in David Lewis and Tina Wallace, *New roles and relevance: development NGOs and the challenge of change*. Connecticut: Kumarian, 2000. Few have dared to follow in their footsteps, however, and most providers find their bread and butter work in training in LFA, strategic and business planning etc.

<sup>xx</sup> The five most prestigious NGOs in UK have recently made a submission to EU (Development Assistance Committee) on how to do this kind of global impact assessment. the paper is available from the Impact Assessment Unit, Actionaid, Hamlyn House, Macdonald Road, Archway, London N 19.

<sup>xxi</sup> Edward Said, 'Representing the colonised: anthropology's interlocutors'. *Critical inquiry*, 1989. Vol.15.

<sup>xxii</sup> This is research being currently undertaken by IDS, Sussex and Community Development Research Network in Kampala. The first publication from the research is Karen Brock, Rosemary McGee and Richard Ssewakirinyanga, . *Poverty knowledge and policy processes: a case study of Ugandan national poverty reduction policy*. Sussex: IDS, 2002. Research report No.53

<sup>xxiii</sup> The New Vision, Uganda, April 25<sup>th</sup> 2003.

<sup>xxiv</sup> Panos, Environmental and globalisation programme, Press release, 12<sup>th</sup> Sept. 2002.