

## NGOs IN A GLOBAL FUTURE: LOCAL DELIVERY TO WORLDWIDE LEVERAGE

James David

*Three inter-connected global trends can be identified in today's world. They are: 1) economic and cultural globalisation and the inequalities and insecurity they breed; 2) the increasing complexity of humanitarian action in response to ethnic conflict and intra-state violence; and 3) the reform of international co-operation to deal with the problems the above trends create.*

*In response, new forms of solidarity are emerging between citizens and authorities at different levels of the world system. It is these new relationships – expressed through partnerships, alliances and other forms of cooperation – that provide the framework for NGO interventions, but they also require major changes in NGOs themselves. Chief among these changes are a move from “development as delivery” to “development as leverage”. This paradigm shift calls for new relationships with corporations, states, international institutions and various groups in civil society<sup>1</sup>; and new skills and capacities to mediate these linkages have to be explored. **These trends call for major changes in NGO roles, relationships, capacities and accountabilities.***

*In the beginning of the third millennium, NGOs share in the mixture of feelings that permeates the wider field of economics, politics, ideologies and social activism. There is plenty of excitement about new possibilities, tempered by widespread anxiety about the future. In the NGO world, this feeling of excitement stems from the unprecedented opportunities for civic action that global trends are creating at the local, national and international levels; the anxiety arises because critical questions are being asked about the role NGOs will play in the emerging world.*

---

After spending 30 years in Australia, James David has returned to India. He regularly contributes articles to our review.

### The Changing Global Context

#### a) Globalisation

**The major consequences of globalisation** in a world of unequal producers and consumers are well-known: 1) spectacular rewards for those well-endowed with the finance, power and knowledge required to take advantage of the new opportunities; 2) increasing pressures on those less well-endowed to sell their labour, family life or environment cheaply in order to make a living; and 3) *rising inequality between these two groups, both within and between countries*. Inequality, exclusion and insecurity look set to drive global politics for the next generation and beyond.

The real debate is not whether globalisation exists and will continue (it does and it will), but about **how its costs and benefits are distributed**, and on that question there is little that is pre-ordained by technology or impervious to politics. *What role do NGOs have in reshaping the processes of evolving global capitalism so that all can truly enjoy the fruits of economic progress without losing what gives meaning to their lives?*

**On this issue there is no consensus.** Some academicians and NGOs advocate various ways and degrees of delinking from the world economy in order to promote self-reliance and protect local cultures; others think this unrealistic and opt for various forms of more or less radical engagement; while the most optimistic embrace globalisation as a progressive social revolution in the making.<sup>2</sup> Universal answers are unlikely here. This has important implications for the future of NGO advocacy.

**Despite these debates, there remains a common thread that runs through all NGO positions:** *civil society can act as a countervailing force to the expanding influence of markets and the declining authority of states*. Although workers have less power in integrated markets, consumers have more. While the erosion of national sovereignty leaves several groups more vulnerable, it also opens up more possibilities for civic organisations to link with each other across national boundaries, especially as information technology makes it easier to form flexible networks and alliances. One should however remember that the access to IT is also skewed towards those with more power and resources.

*The true potential of civil society is a controversial subject, especially at the global level.* Some perceive a fundamental “power shift” as state-based authority recedes, while others question the ability of non-state groups to fill the resulting political vacuum. These doubts apply especially to development NGOs because of their dependence on foreign aid and their non-representative character. Nevertheless, an increasing number of NGOs are diversifying their funding sources and generating important incomes from a mixture of commercial ventures, cost-recovery and local fundraising, especially in South Asia and Latin America.

**NGOs have a vital role in redressing the growing inequalities and challenging the discriminatory power structures.** They believe that human rights standards and social values can be mainstreamed through the power structures in order to spread the benefits and reduce exploitation – whether in markets or politics. *In this context the over-arching role of NGOs is to “help revision the world as an ever-growing web of non-exploitative relationships”* (Fowler, 1997). Translating these principles into practice at different levels of the world economy is difficult and complex, but the case for doing so is clear.

Despite the disagreements and fragmentation of NGOs, *all agree that there are increasing opportunities to work together across institutional boundaries in order to influence the forces that underpin poverty and discrimination, finding partnerships and synergy and shaping a strong and just civil society.* Our empowerment strategies should indeed build a fairer society in which people distribute the costs and benefits of social and economic change more equitably. They should aim at the regulation of all exclusionary systems of power. NGOs are thus developing a number of strategies to confront globalisation and help the poor address the realities of their position and reshape the economic forces.

At the grassroots level, NGOs are for example working to improve the endowments of the poor, form marketing associations, and explore alternative modes of production and exchange. At the national level, NGOs must increasingly be involved in strengthening the redistributive and protective functions of states: rebuilding government capacities; creating pro-poor alignments in civil society and between civil society,

business and government; and combating corruption, pressing for institutional accountability, and fostering a social consensus in favour of economic reforms.

With their international presence and connections, NGOs can moreover help to build a movement for more ethical consumption, investment and trading. They can be key players in attempts to reform corporate accountability, test multinational codes of conduct, reshape consumer demand, and alter patterns of global trade. They may even become more effective in their lobbying of the International Financial Institutions (IFIs), the monitoring of international commitments (like Social Watch), and the democratisation of global organisations like the WTO. Though there has been little progress yet, **civil society participation is likely to be the centre-piece of the global system in the 21<sup>st</sup> century and demands a concerted response.**

#### **b) The Reform of International Co-Operation**

**The reform of the international system requires a complex analysis and deep redesigning.** *A more democratic process of setting the “rules of the game” is greatly needed.* This would promote revolutionary results in setting labour standards, monitoring environmental pollution and enforcing human rights. Currently, international cooperation operates through networks of interest groups (including NGOs), rather than formal representative structures. This raises important questions about NGOs as organisations, especially their weak governance and accountability mechanisms. But the role of civil society is certain to grow as global governance becomes more pluralistic and less confined to state-based systems. **The issue raised by this radical change is clear:** *how can NGOs help to ensure that the regimes of the future work to the benefit of poor people and deliver concrete benefits on the ground? Who should decide the relative importance of economic growth, political equality and social benefit, within and between societies?*

This is a profoundly political question which takes NGOs way beyond their traditional roles as implementers of projects, providers of funds, and advocates on the margins of world affairs. *For the first time in history, NGOs have the opportunity to become vehicles for international co-operation in the mainstream of politics and*

economics – but only if they put their own house in order and seize the opportunities that will surely come their way.

**These trends pose a number of challenges for NGOs.** *They imply a gradual shift in roles, away from the direct implementation or delivery of aid-funded projects and services, to capacity-building, “leaning-for-leverage” and other measures designed to support local institutions* to engage in discussions over development priorities, take part in global regimes, and operate successfully as motors for change in economic systems, governance and social policies (Fisher, 1998). **A logical response to this situation is for NGOs to re-focus their energies on capacity-building and institutional development** – activities which are very much the mantra of the moment. People have to become convinced that new – more co-operative – structures of production, exchange, and international relations are needed. It is here that ethical consumption and alliances with the environmental and other movements could provide a vital link for development NGOs.

The case of the worldwide campaign against landmines is a useful example of transnational civic organising, albeit difficult to replicate in areas where there is less consensus and more of a conflict of interest between poor people in different parts of the world (like global trade and labour markets). *In a world of “complex multilateralism”, these alliances are certain to grow:* over 15,000 transnational civic networks are already active on the global stage, 90% of which have been formed during the last 30 years (O’Brien *et al.*, 1998).

### Organisational Implications

*Today’s challenges raise major questions about how NGOs organise themselves to work in more global and strategic ways in the future. Four areas of organisational change seem especially important: roles, relationships, capacities, and – underlying all these things – the thorny issues of legitimacy and accountability.*

#### a) NGO Roles

NGOs operate in so many contexts and at so many levels that generalisation is hazardous. However, some trends can be identified in relation to the need to think and act globally. It is difficult to see

how NGOs could reshape the costs and benefits of global change through local projects, funding, or the delivery of basic social and economic services. Instead they must build outwards from concrete grassroots innovations *to influence the patterns of poverty, prejudice and violence:* exclusionary economics, discriminatory politics, selfish and violent personal behaviour, and the capture of the world of knowledge and ideas by elites. In a sense this is what NGOs are already doing, but the changing global context challenges them to make this their mainstream activity instead of something secondary or optional. **Moving from development as delivery to development as leverage is the fundamental change that characterises this shift,** and it has major implications for the ways in which NGOs organise themselves, raise and spend their resources, and relate to others.

*Despite the changing context, many NGOs appear reluctant to shed their traditional roles.* Some Northern NGOs continue to be operational on the ground, and even where they work through “partners”, *many tend to dictate the scope and pace of work through their control over funding and procedures* (Fowler, 1998). **Building constituencies** for international co-operation has been relegated to the margins of NGO activity. **Development education** is largely out of fashion; it is skewed in favour of appeals for emergencies and child sponsorship; and very few agencies try to communicate complex development messages through the media. *Yet it is the media that shapes and forms opinions;* the use of the media for fund-raising instead of education is detrimental to seeking an active supporter base for the years to come.

In the South, some NGOs have developed a strong and independent funding base, but most remain dependent on external resources. *Their roles are determined as much by donor fashion and demands as they are by people’s needs and their causes.* While some do pioneering work in confronting inequalities at every level, many still confine themselves to a limited role as deliverers of development according to ideas and designs imposed or imported from outside. NGOs need to find better ways of building constituencies for their work; as well as methods of working together through strategic partnerships that link local and global processes together; and a much more effective method of identifying barriers to change and points of

leverage. *By sinking roots into their own societies and collaborating with others, NGOs can generate more potential to influence things where it really matters because of the multiplier effects that come from activating a concerned citizenry to work for change.*

NGOs are too often confused about their identity – part market institution providing a cost-effective service against alternative providers, part social actor pushing for more fundamental change. The mixing of these roles is inherently problematic, and though it can be managed more or less effectively (and can be a positive force in injecting co-operative values into the competitive world), **NGOs should make a clearer choice about who they are and what they want to do.** Founded as charities to channel money from rich countries to poor countries, it is hardly surprising that NGOs find it difficult to adapt to a world of more equal partnerships and non-financial relationships.

### b) NGO Relationships

**Competition for resources** in an ever more tightly constrained funding environment is characteristic of NGO sectors in all countries. Much NGO advertising, media work and lobbying is driven by the need to gain a higher profile in the market place in order to ensure a continued flow of resources from both the public and official donors. Donor requirements drive many of the changes that are being made in systems and procedures. Participatory approaches could be a countervailing force to these trends, but they are often used as a tool to involve communities in NGO-driven agendas: few NGOs have developed structures that respond to grassroots demands. *Although NGOs often talk of “partnership”, control over funds and decision-making remains highly unequal.*

**The changing global context however opens up a world of possibilities for NGOs to relate to each other in different and healthier ways:** *alliances among equals, genuine partnerships and synergistic networks can replace the North-South asymmetries of power.* Information technology helps this process along by enabling less hierarchical modes of organisation and communication – advantages already well-exploited by the business community, but not yet enough by NGOs. Peter Senge (1998) argues that the most

successful organisations of the 21st century will look more like “democratic societies than conventional corporations”. They will develop **non-authoritarian relationships** between people who are genuinely interested in helping one another to foster new learning and capacities.

These innovations are especially important in relation to NGO trans-national activities like lobbying, but thus far conflicts of interest and the need for profile have retarded their development. *Friction continues over who speaks for whom and on what basis.* Northern NGOs still prefer to go to international forums themselves to present the case for change on behalf of others; Southern NGOs may “speak for” communities who are unaware of their campaign or unsure of its benefits. *The move to embrace advocacy has to go hand-in-hand with alliances that can ensure that macro changes are actually translated into gains for people at the grassroots. The new global agenda requires that NGOs forge relationships with other groups in civil society who can reach further and deeper into the mainstream of economics and politics, such as trade unions, consumer groups, the women’s and environmental movements, universities and think-tanks, and the news media, eventually creating a global movement for sustainable development. NGOs need new ways of talking and relating to different sections of the public, especially young men and women.*

### c) NGO Capacities

**To support these roles and relationships, NGOs need to develop a wide range of skills and competencies** in learning, bridging, mediation, dialogue and influencing. Their capacities should include the ability to listen to, learn from, and work with others at both local and global levels, even outside the development sector; a more strategic understanding of how and where global issues ‘bite’ on the NGO agenda; and how organisations need to change in order to respond to new demands. *NGOs must develop ways of working that are less focused on promoting their own profile, and more concerned with building alliances, working with others, and dividing up roles and responsibilities in a collaborative way. More openness to new ideas and a greater willingness to learn are essential in the context of new actors and problems, fast-moving and unpredictable*

change, the entry of corporations, churches and trade unions into development debates, and the increasing sophistication of information technology (Edwards, 1997).

*These developments challenge NGOs to develop a deeper analysis of today's changing context, recognise the implications for their practice, and select the alliances and strategies required to effectively address them.* Innovations in markets and economics demand much greater accuracy from NGOs in their analyses and proposals, without losing the power of grassroots testimony and straightforward protest. Finely nuanced judgements in complex political situations require better information-gathering and analytical skills. For this, NGOs need help from the research community; this demands a rapid expansion of academic-practitioner collaboration and new forms of co-working across institutional boundaries.

There are no simple answers to sustainable development dilemmas. **Engaging with others in a process of mutual learning and innovation** thus becomes more important than claiming that NGOs have the answers and merely wish to convert others to their point of view. In addition, the emergence of short-term conflicts of interest between groups of poor people in different parts of the world (especially in global trade) underscores the importance of learning to negotiate together a fair deal.

#### **d) NGO Legitimacy and Accountability**

**Underlying these changes are fundamental questions about NGO legitimacy and accountability.** *In fact, it is the very right of NGOs to do what they do and say what they say that is being challenged by world events and the more critical thinking.* The legitimacy of NGOs (especially those based in the North) is now an accepted topic of public debate. Much of the criticism and even scepticism centers around **the key issue of representation** as global regimes mature in a more pluralistic fashion. Southern NGOs are questioning the right of Northern NGOs to speak for them; women are questioning the right of male-dominated NGOs to represent them; and the local communities feel they can speak for themselves through videos and the internet as well as through more traditional means such as marches and demonstrations. As poor people find more ways to access information and get a louder voice in global debates, *the*

*legitimacy of NGOs to appropriate the voices of others will greatly be reduced.* They will have to learn to stand aside, make space for others, and share their rich financial and technological resources and their access to power, in more democratic networks.

**To answer this growing chorus of criticism, NGOs must be good civic actors themselves.** Otherwise they will not be able to encourage co-operation and accountability in other institutions; nor will they be considered legitimate participants in an emerging international civil society. *However, few NGOs have democratic systems of governance and accountability.* As service providers they may not need them; as social actors they certainly do. The legitimacy of social actors comes from their rootedness in their society, a more engaged and supportive domestic constituency, and the alliances they develop with other parts of civil society. NGOs have to become more open and transparent in an age when institutional accountability is a condition for a seat at the negotiating table. The tradition of hiding controversial issues behind closed doors, and the persistent failure to convert NGO rhetoric about equity and participatory management into institutional practice, are hardly a good basis for persuading others of the need for reform. *If NGOs are to become effective social actors in a global world, pushing for justice, equity, democracy and accountability, then clearly these characteristics need to be reflected in their own systems and structures.*

#### **Conclusion**

Against such a huge and complex canvass, it is unrealistic to expect a consensus to emerge in NGO positions or reactions, nor is such a consensus necessarily desirable. *However, the theme that does unite various NGOs in different parts of the world is the crucial importance of civic values as a motor for change.* NGOs would probably all agree that certain (non-market) values are crucial for our common future (cooperation, non-violence, respect for human rights and democratic processes); however, these things are defined and played out in different cultural contexts. Whether these are understood as “civic” or “social” values, or just values that all sectors of society can support and represent, is less important than *working together to make them the bottom line in decisions over economics and the environment, social policy, and politics. NGOs must be leaders*

in cultivating a global moral order which finds poverty and violence unacceptable. **They must be exemplars of the societies they want to create, and work much harder to mainstream civic values into the arenas of economic, social and political power.**

This is clearly an agenda for radical change. It is also very challenging and difficult for NGOs to move forward and take the necessary steps. *Yet, the NGOs who fail to do so will become increasingly irrelevant or will, at best, make a less significant contribution.* And new forms of civic organisation more attuned to the needs and characteristics of the 21<sup>st</sup> century will gradually replace them.

*The fundamental question facing NGOs is how to move from their current position to where they want to be as vehicles for international co-operation in the emerging global arena.* Every NGO will interpret this challenge in a different way and will occupy its distinctive niche in the patterns of civic action that develop. This does not matter, as long as NGOs are transparent and accountable for what they do. Their constituencies (public and private) can then decide whether they are worthy of their support.

**Our contention is that global trends challenge all NGOs to rethink their mandate, mission, and strategies.** Although this will demand major organisational changes and a degree of self-sacrifice in the short term, *it will be a force for liberation in the longer term, both at the broad level of societies and at the narrow level of organisations and their staff.* **In the global future, relevant NGOs will more than ever play a very crucial role.**

---

## NOTES

**1.** Throughout the paper, **civil society** is used to cover the broad grouping of non-state, non-market organisations that include NGOs, community groups, churches, social movements, trade unions, business associations, political parties and think-tanks. NGOs form a sub-group of civil society, though a very heterogeneous one. **2.** The first school is represented by Korten (1995), Grieder (1997) and Gray (1998); the second by Hirst and Thompson (1996) and Edwards (1998b); and the third is the position of most Northern governments and international aid agencies.

## REFERENCES AND BIBLIOGRAPHY

- 1.** Bebbington, A. (2001), "Campesino federations, rural livelihoods and agricultural technology in the Andes and Amazonia". *World Development* 24(7), 1161-77. **2.** Edwards, M. (1997), "Organisational Learning in NGOs", *Public Administration and Development* 17(2), 235-50. **3.** --- (1998a), "NGOs as Value-Based Organisations", in D. Lewis (ed.), *International Perspectives on Voluntary Action*, Earthscan, London. **4.** -- -- (1998b), "International Development NGOs", *Discourse* (December). **5.** Fisher, J. (1998), *Non-Governments: NGOs and the Political Development of the Third World*, West Hartford: Kumarian Press. **6.** Fowler, A. (1997), *Striking a Balance: a guide to the effective management of NGOs*, London: Earthscan. **7.** --- (1998), "Authentic NGDO Partnerships", *Development and Change* Vol. 29 (1).
- 8.** Goodhand, J. and Hulme, D. (1998), *The Role of NGOs in Complex Political Emergencies*, Background Report to the Steering Committee, Manchester; Institute for Development Policy and Management. **9.** Hirst, P. and Thompson, G. (1996), *Globalisation in Question*, Cambridge: Polity Press. **10.** Keck, M. and Sikkink, K. (1998), *Activists Beyond Borders...*, Cornell University Press. **11.** Korten, D. (1995), *When Corporations Rule the World*, West Hartford: Kumarian Press. **12.** Malhotra, K. (1996), *A Southern Perspective on Partnership for Development*, Ottawa: IDRC. **13.** O'Brien, R., Goetz, A.M., Scholte, J.A., and Williams, M. (1998), *Complex Multilateralism: Global Economic Institutions and Global Social Movements*, London: ESRC. **14.** Overseas Development Institute (1998), *The State of the International Humanitarian System*, ODI Briefing Paper 1998/1.

### Questions for Reflection and Sharing on Development

1. Do you agree with the author's understanding of globalisation and its main challenges to NGOs?
2. Sum up the author's views on NGO roles, relationships, capacities, legitimacy and accountability, and funding. In what ways, do you agree or disagree?
3. List the three main insights you got from this article.
4. How can NGOs promote relevant 'civil'/'social' values in today's context?
5. How can the NGO in which you work (if any) concretely become more relevant and effective?
6. What do you think of the views expressed in the next article on **The Response of Activists to Development Challenges**, especially in Sections V & VI.