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The NGO's Modern Challenge

NGOs are now international entities, playing roles that they were never meant to play, confronting new challenges every day. While their main goal is to promote developmental, economic, and social stability on a global scale, NGOs are increasingly subject to the growing corrupted, profit driven influence of neoliberalism, causing their mission to be muddled or all together lost in the balance. The international market and politics of the fast growing globalized world have had a tremendous impact on the operation of INGOs and NGOs. Their interaction with the top of the aid chain, which includes government and donor organizations, severely influences their effectiveness on the ground with the receivers of aid and other beneficiaries. The growing gap between the two worlds has resulted in NGOs experiencing a weakened positive effect on aid recipients. If they were to continue on their current path, aid will be virtually ineffective, losing countless dollars to corrupt leaders and failed projects in the process.

A fundamental change is needed in order to revamp the foreign aid industry and create a better framework where NGOs and INGOs can be effective. The current neoliberal and capitalist framework is clearly not working in the favor of NGOs and in some cases even hurting them. A unified effort in global foreign aid against neoliberalism is vital for the future success of NGOs. However, this paradigm shift is difficult to achieve due to the nature of the globalized market and unfortunate dependency of NGOs on funding agencies. In this paper we will discuss what development really means to NGOs, the issue of foreign aid as an international issue, different operational and funding styles and their results, the effect of a growing disconnect between donors and NGOs, and finally, the need for advocacy and effective leadership.

Defining Development

The most important question that needs analysis is whether or not NGOs are making significant impacts anymore. Many books that we read over the semester suggest that foreign aid has little to no real impact on developing nations. By asking this question, we raise the question of what kind of impact NGOs are attempting to generate. The easy answer is that NGOs are trying to achieve developmental progress in the locale in which they are working, increasing the standard of living for all. This answer brings us to the long debated topic of the word development and what it exactly means. There has been no grand conclusion on the definition of development, making it a vague and indefinable word. One issue that needs to be hashed out in order for NGOs to progress as a more unified force is solving the differences in defining development and coming to a conclusion that includes a single understanding of the word.

As seen in *Can NGOs Make A Difference*, there are two possible ways to view development (there are probably an infinite amount of ways to view it, but the book narrows it to two). There is development with a little d and development with a big D, otherwise written as development and Development. Development with a big D includes the physical improvements and impacts that NGOs have on the area. An example would be any kind of construction or physical aid distribution. It is argued that these types of developments are more of a band-aid type of solution rather than a permanent one. Distributing goods only help those while the goods last, but eventually they run out. Even constructing wells is considered a band-aid solution. Little d development includes advances in the sense of human rights. For example, creating jobs in order to lessen the extreme income inequalities experienced around the world, increasing equity for locals. Little d development includes fundamental changes within the system, which creates self-sustaining solutions, which is overwhelmingly subject to neoliberal and capitalist forces. These changes will bring on longer lasting results. While both are acceptable descriptions, the

word development is used interchangeably between these two definitions without much thought given to what is actually meant. If there were to be a defined developmental term for each instance, the result would be increased clarity in the true intentions of NGOs.

This now brings us to defining developed nations versus undeveloped nations. These terms are just as elusive as the multi-defined 'development' term. In her book, Schaaf describes development as having two sides: good and bad. Good development includes economic growth, sustainability, and good governance while bad development includes human rights violations, inequality among citizens, and the discouragement of local cultures, a result of forcing our own neoliberal views as the 'norm'. These bad forms of development are inevitably to come with the good. So, using this, we could define a developed country as one that has gone through these changes and experienced success in structural, social, and economical forms, giving that country definite sovereignty. In contrast, an undeveloped country would consist of a number of structural, social, and economic struggles that are continuously a problem due to the unstable nature of the governing organization. Using this distinction between the two, NGOs and INGOs are typically established in developed nations and contracted for projects that assist the undeveloped. Without this understanding between development and Development, and undeveloped and developed countries, aid organizations have no clear path to reaching their goals.

Aid as a Global Issue

As globalization makes its place in our modern world, it is increasingly important for there to be an international form of aid. A unified larger effort at development projects will undoubtedly have better effects than several smaller NGOs competing to achieve the same goal. Schaaf identifies this entity as a supranational government. The most commonly known

organization that is included in this category is the United Nations, which is comprised of states around the globe that come together and form one global entity, carrying out actions as one. The UN has a hand in many projects that promote development, environmental awareness, and sustainability. The UN has held multiple conferences, with resulted in the production of Agenda 21, which is a program of action that will take effect on an international scale, and the Millennium Development Goals, which are eight rather broad goals aimed at global development. While the organization has yet to produce groundbreaking results, the idea of a unified force in promoting global development is a step in the right direction. However, there are great skepticisms that come with this. An argument that we will see later is as NGOs become larger entities, they transform into the exact neoliberal organizations that they were built to oppose. The UN, for example, is definitely not categorized as an NGO, but rather as a global governing entity.

In a tier below the UN on the global entity scale, INGOs have an important role in this process of global development. However, their goals are often too broad, including the eradication of poverty, giving clean water access to everyone, and raising educational levels worldwide. While these goals are doomed to fail due to the sheer size of those issues, INGOs do have the resources and influence to make significant dents in these goals if they play the system correctly. However, they do not have the autonomy to do so. The first change that is needed is severing or loosening the leash around INGOs that is held by governments and donors. Their dependence on government's financial support decreases their level of autonomy significantly. Instead of being able to solve issues effectively, INGOs often find themselves being their government's reaching hand, only carrying out missions to their liking, rather than ones that are necessarily needed. Increased autonomy creates an increased amount of effectiveness but INGOs

are increasingly losing the ability to choose projects, but are used as puppets by the donors, choosing projects based on their desire. An organization's ability to fail and learn from those failures is far more important than having an extravagant amount of funding, especially when that money will inevitably go to waste through ineffective projects. It is imperative for INGOs to be seen as an international entity separate from national governments. If this independence is achieved by INGOs, they will have both the resources and autonomy to effectively carry out development projects where they see fit.

The Fight Against Neoliberalism

The framework in which NGOs operate is that of neoliberalism and, like any business, focuses on profitability. This frame itself is detrimental to the success of INGOs and NGOs. Developmental aid is fundamentally against the idea of profit gaining. Just short of charity, foreign aid aims to assist the people of impoverished and blighted areas with little to no concern about rates of return. However, under the view of neoliberalism, every business must produce results and in most cases those results are wanted in a quantifiable form, an issue that will be addressed later. The people pushing for NGOs to give in to professionalism, creating one large NGO entity, claims that the result will be an increase in project focus, causing improved results. This concept of professionalism however walks hand in hand with neoliberalism. It would cause NGOs to be seen as business-like units, destroying the grassroots and innovative aspects that make NGOs unique. Becoming a large entity goes against the very character of the NGO, most likely to result in the inability to effectively work on small development projects. The large NGO entity would more than likely not be able to hold up against the forces of neoliberalism and would soon become the very thing it was created to oppose.

Shivji in *Silences in the NGO Discourse* takes on the view that NGOs must mobilize against neoliberalism upon creation. While this argument is sound in some aspects, NGOs are typically heavily dependent on the governments that fall under the neoliberal umbrella. Most funding that NGOs receive is from the agencies that operate within the neoliberal machine. However, autonomy can be achieved, as we will see in the next section. Autonomy is the ability for an NGO to be significantly independent and able to create its own agenda instead of being controlled by neoliberal donors. An autonomous functionality rather than a dependency on capitalist agents would be the best operational standard for NGOs.

Planners vs. Searchers / Public vs. Private Funding

An NGO is only as good as the funding it receives. But there is more to it than how much money the NGO collects. It is also how they allocate this money. In *Reinventing Foreign Aid*, Easterly categorizes the practices of NGOs into two groups: planners and searchers. The planners are currently running a majority of NGOs and Easterly blames this type of operational standard as the reason foreign aid is currently stained with a type of stigma. These planners have a broad idea of what needs to be done, but no specific ways of carrying out these plans. If they do have a plan, they believe this is the only way and are exceptionally close-minded to adaptation or modification. To planners, the more funding that flows through a development project, the better the outcome will be. This theory frequently fails, resulting in the loss of a great amount of money as well as donor interest.

In contrast, searchers operate in a way that is more similar to trial-and-error testing. If they experience a failure or unsatisfactory results, a searcher is willing to augment their approach in order to fix the issue or adapt to demand. This approach allows the opportunity for each location to have its own “custom solution”, and as we know, no two locales will react similarly

to aid or development projects. As a suggestion to the future operation of NGOs in the modern world, the path of the searcher will result in success and superior outcomes as opposed to the path of the planner. To clarify, planners are important on a large-scale project in order to have a larger vision, but searchers are essential in the success of the projects on the ground, which ultimately determines the success of the entire operation.

This brings us to the impact of different funding methods, which includes private and public funding. There are implications placed on NGOs based on their status as publicly or privately funded. This status then converts into the type of relationship between the NGO and the recipient. The two types of relationship are “client” based and “member” based. “Clients” tend to have limited participation and recipient involvement most likely ends at receiving the service. In contrast, a “member” is seen as part of the organization, having some kind of ownership in the aid process.

In *Killing with Kindness*, the difference is shown between two NGOs working in Haiti. The Global Fund and USAID were the major funders of the NGO Sove Lavi. As a result, the NGO was typically driven by what is referred to in the book as “American political concerns” and the influence of neoliberalism. This drive caused a major disconnect between the NGO and the recipients, who experienced a decreased level of engagement and participation. Due to the fewer number of donors, Sove Lavi did not experience a healthy level of autonomy. Their program was under strict top-down control by donors, not allowing them to adapt effectively to the ever-transforming market.

On the other hand, Fanm Tet Ansanm experienced a high level of autonomy. This NGO was privately funded by a number of European donors, preventing any one donor to have overpowering influence. With this high level of autonomy, Fanm Tet Ansanm could set their

own agendas and priorities, resulting in high levels of participation by recipients. The NGO had the ability to adapt quickly to new or growing problems because beneficiaries controlled a majority of the process.

With these lessons in mind, it is clearly important for NGOs to experience a certain amount of autonomy. Without it, NGOs are bound to fail due to the ineffective processes and unrealistic goals set by big name donors who more than likely have no real experience on the ground. Moving forward, NGOs need to be ensured this autonomy by either being privately funded by several donors like Fanm Tet Ansanm, or by having public donors who realize that granting NGO autonomy will result in desirable outcomes. Beneficiary participation is imperative in effective goal setting by NGOs and allows them to adapt properly, focusing on what recipients are actually in need of. Closing the understanding gap between these donors and NGOs is essential for achieving success.

Donor/NGO Disconnect and Our Obsession with Numbers

The trickle down effect has proven to be unsuccessful and rather harmful to the lower section of the aid chain, the people working on the ground, and the recipients. The common feeling among heavily donor dependent NGOs are that they must produce results in the form of a feel good story that will gain popularity amongst donors. This will cause the donors to push more aid funds to the pockets of these NGOs. The obvious problem with that is that the feel good story portrayed by the NGO may not be accurate, disseminating fabricated results that do not show the true struggle of the people the donors wish to help. While the NGO gains the funding that it needed in the end, the true issue is still being swept under the carpet. If they were to do the opposite and show the real results of their work, donors may feel as if their funds are ineffective and allocate them elsewhere, leaving that NGO without funding for an increasingly worsening

cause. Donors experience a rate of high mobility, allowing them to send their money to whatever cause or project they wish. Because of this, some NGOs are left out of the aid chain completely, struggling to find funds for a still very real problem.

There is an obvious disconnect between donors and the reality on the ground, whether it is that donors do not care and only send money where results are shown, or that donors are simply not aware of the facts, due to the skewed information shown to them by NGOs who are playing the system. Not wanting to be left out, NGOs commonly use this tactic to gain popularity among donors. Switching from an aid system set by donors to one that is effective is a crucial change that modern NGOs need to push for. The change may begin with the way that NGOs present results to the donors. This is where the obsession with results achieved through quantifiable data is unhealthy and may even be hurting the relationship between NGOs and donors.

Whether it is the donors, governments, or NGOs themselves, focusing on numbers does not ensure that the best aid is being given. Any quantitative data can be skewed, giving the wrong impression to donors or any person looking for progress. The question is that if we cannot strive for excellence in quantifiable data, then what are NGOs and donors striving for? The best answer is progress through fundamentally improving “the system”. To what I am referring to as “the system” is the collection of agencies, governments, and organizations that create the situation that impoverished people are living in. By fundamentally changing this system, these people will have the opportunity and capability of creating their own solutions. Numbers are irrelevant if the actual issue is not being addressed. Only when these issues are addressed and the system is positively transformed will there be true progress.

Ronalds in *The Change Imperative* suggests that NGOs and INGOs be more upfront with donors and expose them to the realities on the ground. However, it is easily argued that donors, when faced with the real depressing facts that there is still much to be done and their projects and money have not solved even a portion of the problem, will simply pull out of any kind of funding and allocate it elsewhere in hopes of seeing quantifiable results. This calls for a change outside of NGO's and INGO's sector. Governments and donors will need to face these realities in order to have a significant impact. These results may not be presented as the quantifiable data they seek, but they may be measured in a qualitative fashion, assessing the indefinable benefits of the work being done.

This fundamental shift will not occur without difficulties. In fact, it has been argued that it will never occur, given the current state of the global market. The success of aid has even been questioned in the sense that it does not seem to be working, so why continue? We read about failure after failure of developmental aid and project, but this does not mean that NGOs need to give up. In fact, it calls for NGOs to work harder at finding more efficient ways to deliver effective aid.

The importance of NGOs has increased significantly within recent history. A comment was made in discussion questioning what would happen if NGOs completely backed out of developing countries, allowing them to figure it out on their own. Without a doubt this would create nothing short of chaos within countless countries that depend heavily on the NGO funding structures that have essentially replaced local governments. While it is fundamentally against the NGO's operational standard to act as a government entity, this role has been forced upon them by the failing governments of the countries in which they are active. This makes the NGO's job of working as a grassroots organization near impossible if they are seen as the locality's

government. While not normally their job, NGOs may need to take on several roles they are not accustomed to in order to establish and support the fundamental changes needed.

Importance of Advocacy and Effective Leaders

It is imperative that NGOs raise advocacy on a global scale. This is revealed to us in *Advocacy Across Borders*, exposing the garment industry and the horrific conditions in which workers operate under. Developed countries, mostly the corporations within them, gain from these horrible working conditions that the poor in third world countries have to endure. The market suggests that cheap labor will increase profits, the sole objective of businesses and corporations. These workers provide cheap labor, but at unspeakable costs, raising the question of worker's rights. Advocacy will bring these atrocities to light and increase consumer awareness, resulting in market changes, causing the implementation of laws that better regulate working conditions for third world workers.

The real challenge for NGOs is changing the mind of the consumer. Doing this through advocacy is not easy. It must include cooperation between organizations on all levels: national and local governments, NGOs, transnational corporations, and most importantly, the consumers themselves. As we have discussed in class, it is nearly impossible for NGOs to solve this problem using the government or through corporations, as a majority of these organizations are only looking out for themselves and operating at capacities that are most profitable. The mobility of corporations, their ability to change factory locations, and an almost unending supply of cheap labor is extremely detrimental to the advocacy movement. What we have referred to as "the race to the bottom", has become commonplace for corporations in order to maintain competitiveness while dodging any true changes that may harm their profitability.

Seemingly, the only plausible way to change the market in favor of workers rights is through educating consumers, who will then need to make their own decisions on the matter. While there have been a few victories in this campaign, NGOs still need to find more effective ways to increase human rights awareness and worker conditions around the globe. While usually working on a case-by-case basis, NGOs have an opportunity to fundamentally change how products are made and sold and the conditions in which they are created. However, this broad alteration in standards needs to include the support of local and national governments that can enforce regulations effectively. Success in the human rights field will establish the NGO's place in advocacy and can then move onto new issues that the modern world generate.

A general improvement that needs to be made across the board in governments, INGOs, NGOs, and donors, is an effective change in leadership. As discussed in class, leadership can make all the difference in the world of the NGO. Corrupt, egocentric, and market driven leaders are the downfall of all organizations. If this system is to work properly, the leadership among these organizations needs to stay true to the mission that they have taken on. Too much we see capitalist and profit driven leaders drive projects straight into the ground. Donors and governments are included as the biggest culprits. These organizations are often solely focused on the quantifiable data that we have already condemned. If a leadership change would occur, placing effective, innovative, and reliable persons in places of significance, then the effectiveness of NGOs and INGOs are bound to increase considerably.

Conclusion

While there is an agreement that there needs to be enormous fundamental changes in the aid system, there is not a concurrence on how to move forward from the present situation. There is no plan on what needs to be changed first and how to go about doing it. A general plan of

action is needed in order to have a unified NGO sector that will all be striving towards the same general goals. Many changes need to be made within the current system, both fundamentally to the system and quick solutions on the ground that give localities instant results. NGOs need to find a way to be more effective, following experience and experimentation rather than donor requests and demands. That bridge between donors and the people on the ground needs to be closed as well. Without donors being able to identify the true problems, then those issues will never be resolved, leaving the people who are already struggling to suffer the impact of the blow. NGOs are confronted with many obstacles that include fundamental shifts in ideals and standards, but it is important for them to overcome these political and structural difficulties in order to continue making an impact on developing nations.