

Thinking ahead: Four Questions for NGOs to Ponder

Michael Edwards, Demos, New York

Executive Summary

This paper was commissioned by CCIC “to identify some of the key issues in the development agenda of the future for NGOs in Canada to consider, debate, and prioritize for action in their own context,” as one input into the Council’s longer-term strategic planning process. It represents a personal point of view and is not the position of CCIC. Readers are encouraged to challenge the points that are made and add their own observations as the conversation develops. Think of it as a discussion-starter, something to react to and re-shape in ways that are relevant to your particular organization and its work.

Someone once said that the only predictions that come true are those that aren’t predictions – a reference to the difficulty of knowing what’s going to happen in the future by extrapolating from the present. I’ve been working for, observing and writing about NGOs in the international arena for more than 30 years, yet I’d be hard-pressed to forecast the next stage of their journey with any certainty, partly because NGOs are so diverse. Still, certainty is not essential for a productive conversation, and I can think of at least four inter-related questions relevant to every NGO that require a thoughtful and considered response.

- First, what is happening to foreign aid, and how will NGOs be affected by these changes in the future? Aid is not going to disappear in the next 25 years, but its focus may shift from poverty-reduction to global co-operation around social, economic and environmental issues as more countries graduate to higher-income status.
- Second, what will “global co-operation” on these issues involve, like climate change, inequality and conflict, and are NGOs well-positioned to respond? Doing more of the same may be inadequate if our economic and political systems themselves need to be transformed in order to get to grips with global challenges.
- Third, how can NGOs root themselves more firmly in the fabric of their own civil societies in order to sustain themselves and lever greater impact on these systems as circumstances change?
- Fourth, what will happen as local institutions grow strong enough to carry out and fund their own self-generated agendas? Will “Northern” NGOs no longer be required, or will they remain essential partners in the pursuit of peace and social justice albeit working with other civil society groups in a range of different ways?

There are obviously many different answers to these questions, conditioned by context, needs and the philosophies of different NGOs. But finding *any* clear way forward requires a commitment to think ahead, to be self-critical and to be open to new ideas, roles and relationships, even if the values of NGOs remain a constant. What is the story we want to tell about ourselves as global circumstances change, and where do we want to be in 25 years time? Better answers to those questions will emerge if NGOs are actively engaged in critical discussions with each-other and proactive about the challenges involved.

1. What is happening to foreign aid?

Does aid work? It depends on who you read and speak to, of course, but some years ago Roger Riddell provided the most rigorous and balanced answer to this question I can find: ‘where *good* aid is used *effectively* in the *right circumstances*, it can have a *small but not determinant* influence in the national context.’ It’s certainly true that child survival and life expectancy are rising nearly everywhere, and the percentage of people living below the poverty line is falling, largely as a result of progress in Asia (especially China).

The role of aid in these successes is disputed, but aid has certainly contributed to improvements in mortality and public health indicators. Its role in more complex areas like poverty-reducing growth and the development of stable political institutions is less clear, and the experience of countries like China and Brazil suggests that aid is rarely a key driver of macro-level changes which depend on internally-driven processes of politics, market development and state-building, but NGOs have never claimed to make much of a difference at the national level, so what of their contribution?

That’s obviously a vital question to which observers give very different answers, nicely encapsulated in a recent blog¹ by Duncan Green at Oxfam-GB and later covered in the Guardian. In response to a report from the Brooks World Poverty Institute that criticizes NGOs for becoming disconnected from their civil society roots and eroding their influence in the process, Green suggests that attention should be focused on specific cases where results have been achieved, mostly at the micro-level in terms of wells dug, drugs distributed, schools built, capacities strengthened and local economies diversified, along with the occasional campaign victory around aid, arms sales and the like.

It is indisputable that NGOs have progressed in their size and sophistication over the last forty years, moving from a focus on delivering humanitarian assistance and development-related services to an integrated approach that levers broader changes in society through program innovation, research, advocacy and public education. But the critics also have a point in questioning whether more size and sophistication have led to any significant increase in the impact of NGOs on the underlying drivers of development through things like social movements, governance arrangements, and new technologies and markets.

NGOs are seen by some as ‘jacks of all trades and masters of none’, constantly adding programs and initiatives when a new fashion comes to town but never developing them to the level where they actually might make a difference, except, perhaps, humanitarian assistance. And many now resemble multinational, non-profit corporations that seem more concerned with market share and branding than with the old NGO mantra of “working themselves out of a job.”

Where you stand on this debate is largely a matter of context and opinion – as so often, the “truth probably lies somewhere in between” – and that requires a non-defensive process of analysis and reflection by each NGO to figure out some rigorous answers to the questions of impact and

¹ <http://www.oxfamblogs.org/fp2p/?p=11330>

effectiveness. But it's fair to say that in the imagination of many publics there are still more questions than answers in the record of foreign aid. These questions may eventually bring an end to the upward curve of aid spending that has characterized the last 20 years, or it may not – the end of aid has been forecast many times before. So rather than fixating on the fluctuating *quantity* of aid a more interesting debate is taking shape around its *role*, spurred on by the Busan Declaration's call to move "from effective aid, to cooperation for effective development."

That's an important statement, signaling a break with the past by moving away from a narrow focus on poverty in some countries to the provision of "global public goods" from which everyone benefits and to which everyone should contribute, under a framework of sustainable development. In this framework, issues like tax justice, capital flight, climate change mitigation, labor migration, and stricter controls on arms sales take on more importance, focusing more on rich-country responsibilities and less on targets for poorer countries themselves. And that shift raises a host of questions for NGOs to think about around their roles in emerging international regimes for financial regulation, social protection, trade, climate change management and so on.

'Who speaks for whom' in a world no longer defined by simple North-South boundaries? How will these regimes be given force on the ground as well as in the international conference room? And do NGOs have the necessary skills and capacities to participate effectively? Working together on common problems across the world is certainly an attractive and inclusive vision, but it may also be imperative because of recent shifts in geopolitics caused by the rise of the BRICs and the relative decline of traditional middle powers.

The redistribution of poverty from low- to higher-income countries is part of this story, with 80 per cent of those living on less than \$1.25 a day projected to live in middle-income countries by 2020.² Pockets of extreme poverty and conflict will remain and humanitarian emergencies will continue, but this development means that most poor people – the traditional target group of NGOs – will be living in places that have enough *domestic* resources to address their problems over time.

That shift should provide further support for the re-orientation of foreign aid, but perhaps the political impact of the BRICs will be more important as they become more active on the global scene, with the self-confidence to reject development orthodoxies that are shaped elsewhere, to mould their own approach to giving aid, and to show the door to foreign donors (NGO or otherwise) who are seen as insufficiently rooted on home soil. "The poor ain't what they used to be" writes Doug Saunders in the *Globe and Mail*, "it's time to change the game...we are no longer the wealthy superiors, but fellow countries facing a common problem," and that's the critical point.

Foreign aid has been an important part of the post-colonial 'contract' between rich and poor countries that was drawn up at the United Nations after World War Two, but it is less-suited to a multi-polar world in which rights and responsibilities are re-distributed and 'post-development'

² "Where will the World's Poor Live? An Update on Global Poverty and the New Bottom Billion," Center for Global Development Working Paper 305, 2012.

problems and opportunities are shared across national borders. Inequality, for example, is increasing rapidly within middle- and higher-income countries (apart from parts of Latin America), environmental sustainability indices are falling, and social indicators are getting worse even in the richest settings like the USA, including things like community cohesion, happiness, wellbeing, and a feeling that everyone can share in fashioning a more fulfilling vision of the future. Material success does not guarantee the deeper progress of society, so the “end of development” is simply a staging point on the journey to somewhere else.

This observation suggests three conclusions. The first is that richer countries no longer provide an adequate ‘end-point’ to aim for in the process of development, if they ever did. The second is that what ties economic growth to human flourishing is less clear and predictable than it ever was. And the third is that these linkages can’t be strengthened by doing more of the same, since that has been tried already and found wanting.

Instead, existing systems of politics, social relations and economics must be transformed, not simply made more accessible to the poor, in order to prosper together in an inter-locking web of steady-state economies. Eventually that will mean lowering consumption (not just adding in more energy efficiency), as well as sharing work, resources and responsibilities with each-other, managing the conflicts that arise from scarcity and the turmoil that comes with change, and accomplishing a thousand other things for which societies are largely unprepared.

Fortunately, we don’t have to do all of this in the next twenty years, but it looks as though the world will hit peak oil production around 2025, run out of key mined resources like potash for fertilizer by 2060, and experience a rapid depletion of cultivable land, soil and water in the meantime. If the values and visions of NGOs are going to be realized in the future - whether expressed in terms of development, social change or human happiness and fulfillment - there is no time like the present to start preparing for these transformations.

The essence of transformation, like a butterfly emerging from a chrysalis, is that something *qualitatively* different and better, not simply something *quantitatively* bigger or more of the same, can emerge from old or existing structures when they are challenged, broken up and re-imagined around a different set of values and operating systems. Elements of those existing structures remain, of course (just like the essence of the butterfly already existed inside the chrysalis), but something fundamental *changes* in the process of transformation, some boundary constraint is crossed or some deep-seated blockage is removed – like an economy, for example, which still produces jobs and incomes but with a radically-different distribution of their costs, benefits and risks.

Against this background, the task is not just to expand participation by poor people in the systems which exist already, which has been the default setting of NGOs for many years. For example, they have tried to expand participation by the poor in the economy, not realizing that existing economic systems are themselves unsustainable because of increasing natural resource constraints and built-in social and gender inequalities. Or they have tried to increase participation in politics among excluded groups, not recognizing that existing political systems lack the capacity to deal with deep-rooted differences and tackle vested interests. Or they have tried to encourage more participation in civil society, ignoring the fact that old models of social activism

are breaking down and new ones may be too weak to replace them. So the tasks that lie ahead are *qualitatively* and not just *quantitatively* different, and that conclusion poses fascinating questions for NGO programming, advocacy and campaigns, no more so than in the transformation of the economic system.

2. Transforming the economy.

The key to these transitions lies in transforming the economic system, not just because of its direct influence over wealth and job-creation, but because it is the source of most of the inequalities that distort the social and political lives of citizens as well. This is especially difficult in a globally-integrated economy where action in one part of the world affects and is affected by the prospects for progress in many others. The goal at least is clear: we need growth *and* equity *and* sustainability *and* justice in one package, including jobs - 600 million of them according to the World Bank in its 2013 World Development Report, especially among the young. But how to achieve these goals is uncertain, since such combinations are extraordinarily difficult to achieve, especially in lower-income countries that are playing catch-up with the rich.

“Efficiency” outweighs “sufficiency” in the calculus of economic thinking, and there is little sign that new philosophies are gaining ground. There are, for sure, lots of interesting small-scale experiments that include microfinance, commons-based production, social enterprise and supply chain work at the national and global levels. But as has been proven in the last three years, global financial instability can swamp even the most successful experiments and few are strong enough to counteract the trend towards rising inequality and resource depletion above the local level. The key issue is that economic power is increasingly concentrated in the hands of a small number of people in ways that skew incentives for change away from the interests of the majority.

What role might NGOs have in reversing this situation? Many, of course, are already active in promoting new models like fair trade and social business, but these are not (yet) transformative in either scope or scale. Their size and coverage could certainly be increased but that may not be enough, so intervening in the social and political processes that shape the costs and benefits of growth at a much more fundamental level is also worth considering i.e. the forces that determine how wealth is produced, distributed and sustained such as patterns of property ownership, market regulation and the social division of labor.

‘Philanthrocapitalism’ – using business and the market to pursue social and environmental goals – has taken hold in the imagination of NGOs and other donors, and such techniques are appropriate in some areas of development like vaccine research and social enterprise, but there’s no vaccine against inequality or violence. The looming global food crisis, for example, cannot be solved without tackling food prices, and therefore addressing the vexed questions of who owns and controls production, processing and supply. And in these areas business and the market are part of the problem as well as part of the solution.

New technologies and market innovations will help to improve the efficiency and productivity of energy use in the economy, but they won’t be enough to achieve a steady-state, nor to produce those jobs that the World Bank identifies as vital without pushing growth rates to even less

sustainable levels. So there is a real sense here that everyone is entering new territory. Therefore, engaging proactively with business and the market as part of an emerging agenda for economic transformation means going far beyond the current range of innovations to flesh out a more humane and positive vision of the economic system at a much deeper level – a new ‘operating system’ for economics itself if you will.

To do this a number of areas could be strengthened in the NGO community. Chief among them are research and action on the nature of the new economy across lots of different settings, and a shift in emphasis from seeking a fairer distribution of abundance to managing scarcity and its implications. No-one knows what this will mean at any level of detail, so more investment in concrete experiments on the ground is vital, along with sharing the knowledge that they create, especially along supply and consumption chains from the local level to the global. Climate change and natural resource issues will have to be incorporated into these experiments with much more force.

A gradually-expanding knowledge base on transformative economics will help to put NGOs ‘ahead of the curve’ so that they can influence the broader political and intellectual agenda, flag the conditions under which real progress is being made, and question exaggerated claims about the success of social enterprise, microfinance, fair trade, the ‘new Green Revolution’ and other high-profile innovations. Acting as watchdogs on claims like these will be extremely important in separating fact from fiction in what is sure to be a highly-charged debate. Nevertheless, if the underlying drivers of change in the economy are as much personal and political as technological and financial, how can NGOs increase their influence? That’s where civil society comes in.

3. Revitalizing civil society.

Even if NGOs and others could develop a convincing set of principles for a just and sustainable economy at home and abroad, putting them into practice at the necessary scale requires a revolution in the way we think about consumption and production. Take the example of climate change, which requires that all of us reduce our carbon footprint, or ‘fair trade,’ which implies a willingness to pay higher prices than the market would dictate. So transformation implies cultural changes in society (which means people), a major re-orientation of social values, and a move away from individualism to collective responsibility, from consumerism to sharing, and from domination to radical equality and respect for the environment on which all life depends. This is the natural territory of civil society, defined not just as an infrastructure of NGOs and other voluntary groups but as the moral grounding of society and politics at large, the place where people argue with each-other about the great questions of the day, foster some sense of direction for their communities, and live out their roles as change agents in the world.

To meet the global challenges of the future, ethical action by citizens on a much larger scale will be required, infused through the structures of politics and the economy like a virus. New coalitions will have to be built to bring people together across political, ideological, religious and other differences in order to exert enough pressure on governments and businesses to prevent back-sliding on their commitments and push through transformative proposals against the inevitable inertia and resistance they will face. To support these processes, ideas must resonate with people of different political views (for example, ‘there are new models of progress that can

benefit us all’) and be connected into peoples’ own concerns and experiences and not just the lives of distant strangers.

In recent years NGOs have tried to move their supporters from being donors to being donors plus campaigners, but these campaigns have been largely focused on foreign aid and related international issues. As the environmental strategist Chris Rose has argued therefore, people need to see themselves as ‘changers’ not ‘campaigners’ – creating new realities on the ground as well as building new majorities for policy reform and regulation. And that may require some changes in the ways that NGOs have thought about their roles in their own civil societies, perhaps to focus less on advocacy and public education of the kind that are already well-developed and more on promoting public involvement in debating and implementing solutions in and from their own communities. In the ‘new territory’ of transformative politics and economics described in brief above, what would NGOs campaign for if no-one knows what is going to work? The development of shared capacities to reflect, argue and find common ground is likely to be more important than selling a pre-determined set of policies.

These shifts will be difficult for two reasons. The first is that many internationally-oriented NGOs have weak roots in their own civil societies because their links with their own populations have been instrumental to the primary purposes of their work overseas and in the global arena, though this is not true of those who have a pre-existing constituency defined by religious faith or professional affiliation (like nurses, teachers and farmers), or in the labor, co-operative and other movements.

The second reason is that civic participation in modern industrial societies has been declining for some time as a result of economic insecurity and increasing pressures on people’s time, the over-professionalization of voluntary action which has made it the territory of experts instead of grassroots leaders, and increased political restrictions on certain forms of civic action like advocacy and protest. This latter trend has been especially strong in recent years because of attacks by governments on groups that are accused of opposing “national interests” (commercial or political), or “meddling in politics.” On the other hand, attacks like these also provide an opportunity for NGOs to re-connect with more radical forms of citizen action like street protest: civil society often grows stronger when it is under pressure.

Embedding NGOs in civil society makes good sense pragmatically of course, since it will help to secure a supporter base if government aid budgets decline. More importantly it provides one of the keys to greater impact by activating civic energy beyond making a donation or participating episodically in campaigns. Citizens groups which are not registered charities can involve themselves more directly in political activity which (even if non-partisan) is otherwise subject to restrictions, and form social movements to mobilize large-scale direct action. New Information and Communications Technologies can help in these tasks, but they can’t replace the power of face-to-face engagement.

Ultimately, transformation means changing the deep structures of self and society that underpin all human institutions, and re-fashioning relationships on a different grounding of community and sharing instead of individual self-interest alone. And that is not something that can be achieved on the World Wide Web. Hence, experimenting with, and learning from, different ways of combining the best of ‘real’ and ‘virtual’ civil society organizing could be a key area moving

forward. In this respect, networks like ‘Avaaz’ have much to offer. But NGOs don’t have to be social movements in order to be useful in reinvigorating civic action – they simply need to find a role that plays to their comparative advantages as the surrounding context continues to evolve. What might that mean in practice?

4. Building new bridges and connections.

NGOs are often thought of as a “sector”, but in reality they and other civil society groups form part of an “ecosystem” of different elements and relationships. Like a natural ecosystem, civil society gains strength and sustenance through two things: one is diversity – so that all angles of a problem can be tackled, from service delivery to street protest; and the other is connection, so that the whole can be more than the sum of its parts and synergies can be developed between one set of elements and another.

NGOs are ideally placed to be “connectors” in these ecosystems because of their “intermediary” status – the fact that they sit between different types and levels of social action. Some NGOs seem ashamed of the fact they are not grassroots groups, political parties or social movements, but mediating between different actors, geographies and approaches to social change is exactly what’s required as the landscape of transformation becomes more integrated, complex and diverse. All social movements benefit from specialist support, advice, funding and connections of the kind that intermediaries can bring to the table, so it is much better to build on the existing strengths of NGOs than to ignore or apologize for them.

It’s true that the position of NGOs is being challenged by the rise of more fluid social networks and less structured or “leaderless” organizations (think Occupy, for example, or websites like Kiva and Kickstarter) that may reduce the need for intermediaries to channel resources between one place and another and manage the processes involved, but this trend can be exaggerated. In fact I think the role of NGOs as connectors will grow in the future precisely because of the trend toward greater integration highlighted above. The best image I can think of is a “bridge of people”, the title of an old book about Oxfam-GB that was published in 1984. I like it because a “bridge” implies equality - resting on foundations that are equal at both ends - and reciprocity, since people and ideas cross over in both directions.

As NGOs and other intermediaries have discovered in the past when faced by this question, the secret of success is to be and act ‘in service to’ something larger than yourself and your own, self-generated agendas – to move from control to facilitation and from being donors and decision-makers to co-creators and translators. “If we are going to sink or swim together in the future”, asks Mathias Fiedler in his paper on “development as shared responsibility”, “who needs the swimming lessons and who will be the instructor?”³

The implication is that people in different countries, working in different sectors, and believing in different things will engage with and learn from each-other, and that will make for a much healthier conversation. It will also make it easier to answer questions about legitimacy and

³ M. Fiedler, “Thinking at the fault Lines: development as shared responsibility”, paper presented to the EADI Conference on “Rethinking development in an age of scarcity and uncertainty”, 2011.

accountability as NGOs extend their involvement in the international system - about 'who speaks for whom' - so long as they are prepared to modulate their own voices so that others can be heard. Increasingly people will want to speak for themselves, with NGOs in a supporting and supportive role.

That may seem like a threat to the profile of NGOs, but in the future much more will be achieved by working in service to broader civil society networks than by incorporating advocacy and campaigns inside each NGO, since that is where the "mass" and "energy" reside to influence the drivers of social change. And that is a challenge that is well-suited to the qualities and capacities of NGOs as bridging organizations:

- geographically (sitting between different countries and levels of local-global action)
- institutionally (working in the spaces between civil society, government and the market)
- functionally (committed to social justice but flexible in how to realize it in practice); and
- philosophically (being 'pragmatic visionaries' that embody their values in concrete action).

By re-positioning themselves more consciously as bridges along these various dimensions, NGOs will be able to carry information, ideas, skills and funding across the ecosystems of transformative action that are emerging in areas like climate change, the social economy, and new forms of civil society activism. People will always need resources like these to do their work, but not necessarily delivered in the framework of foreign aid.

For example, NGOs could promote exchanges between different kinds of social enterprise in Canada, India and Brazil in order to identify the conditions under which they have more social impact and create more jobs, which are two of their weaknesses at present. Or they could experiment with different ways of mixing social media with offline organizing at the local and global levels in order to help groups identify where the synergies and trade-offs lie. Or they could promote grassroots participation in negotiations over the regulation of extractive industries so that those who are directly affected by such laws can lobby for their interests more effectively, with support from NGOs who are experienced in this field.

That kind of role may be very important in the future since the re-localization of large sections of the economy (to help manage the costs of climate change) will have to be balanced by efforts to preserve living standards among lower-income producers elsewhere who rely on global supply chains for their livelihoods. There are huge opportunities for NGOs to become involved in these boundary-breaking efforts without dominating the process. But making a success of these bridging roles will be challenging because they require great flexibility, room-to-manuever, and equality between the participants – precisely the things that the current aid system tends to constrain.

Transformation requires long time scales, an appreciation of intangible results, support for iteration where outcomes are uncertain, and as much equality between the participants as possible – since transformation isn't something that one group or community "does" to another. Rather, transformation is a shared process in which everyone involved can recognize and address the fact they are part of the problem as well as part of the solution, and engage with each-other in

a spirit of open, self-reflective and democratic struggle, experimentation and debate. That's the only way to find solutions that do not reinforce existing patterns of power and dispossession.

By contrast, the current architecture for aid and development is increasingly control-oriented, fixated on narrow measurements of results, and desperate to show "value-for-money" to taxpayers at home. That's an understandable concern, but the way it is often interpreted drives NGOs to areas where the easiest results are generated and away from the imperatives of transformation. So one task for the future is to figure out how transformative activities can still get funded, and therefore be measured and accounted for. And that takes NGOs into some difficult but very exciting territory concerning new approaches to knowledge and evaluation.

No doubt in this panorama of possibilities NGOs will make many different choices, evolving along different pathways and occupying different positions in the ecosystems of social action that will develop in the future. But it also seems likely that a set of broader and more powerful global trends will pull and push NGOs further along the spectrum from deliverers of aid to vehicles for international cooperation, from North-South to local-global action, from development to transformation and from NGO dominance to a broader set of civil society relationships. Where this will end up is anybody's guess. What's for sure is that those NGOs that consciously think and argue their way through this terrain will be able to serve their missions more effectively in a future that may be very different to the present.
