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NGOs and the New Democracy

The False Saviors of International Development

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Conservatives and liberals agree that globalization is hastening civil society's coming of age. Liberals consider civil society the only countervailing force against an unresponsive, corrupt state and exploitative corporations that disregard both environmental issues and human rights. Meanwhile, conservatives celebrate the awakening of civil society as proof of the beneficial effects of globalization for the development of democracy. Thus, in the debate on

development and the state, left and right appear to converge on the side of civil society. In advancing this proposition, the dynamic rise of non-governmental organizations (NGOs) is offered as proof of the self-organizing capacity of civil society and the consequent redundancy of the state.

The global phenomenon of NGOs reflects the new policy consensus that these groups are de facto agents of democracy rather than end-products of a thriving democratic culture. This is evident in the astonishing speed with which NGOs have emerged in countries on the verge of establishing democracies. The leading role ascribed to NGOs foretells a reworking of democracy in ways that coalesce with global capitalist interests. Global policy institutions are actively enlisting NGOs in the economic reform process, but in doing so, they undercut their popular role as forces of democratization.

Current debate on the role of NGOs points to the dangers of replacing the state as the representative of democracy. Given expanding market economies and shrinking states, NGOs fill a growing void by responding to the needs and demands of the poor and marginalized sections of society. Pointing to this emergent trend, development analysts caution that, unlike governments and state bureaucracies, there are no mechanisms by which NGOs can be made accountable to the people they serve. Instead, analysts suggest that a balanced partnership between states and NGOs can best serve the interests of society.

Much of the current discussion on NGOs focuses on issues of improving NGO accountability, autonomy, and organizational effectiveness. However, as Robert Hayden's recent essay in the *Harvard International Review* ("[Dictatorships of Virtue?](#)" Summer 2002) illustrated, NGO autonomy is a mirage that obscures the interests of powerful states, national elites, and private capital. If NGO autonomy is indeed a myth, the more relevant task at hand is to understand the nature of developing states' dependency on NGOs as well as the effects on development and democracy.

The evolution of community based organizations (CBOs) is illustrative of the changed environment in which NGOs operate and the grave implications of the new scenario for development, democracy, and political stability. CBOs are locally based organizations seen as the champions of "bottom up" or "pro-people" development. They have been particularly vulnerable to the unexpected patronage of donor agencies. CBOs emerged in the post-World War II period between the 1960s and 1980s in response to the failure of developmental states to ensure the basic needs of the poor. For the most part, the leaders of CBOs were socially conscious middle class citizens, many of whom had been

active in women's or radical left movements of the post-independence period but later became disenchanted with leftist political parties and movements. The CBOs promoted a "development with social justice" approach, and established political rights and awareness campaigns alongside health and livelihood projects.

Donor NGOs such as the United Kingdom's Oxfam were eager to fund CBOs directly because these organizations were more committed and effective in reaching the poor than were the governments of developing countries. The nature of their work requires CBOs to interact with local communities on a daily basis, building relationships of cooperation and trust to understand local needs and tailor projects that respond to those needs. Consequently, CBOs tend to have intimate working relations with the people of the community, some of whom are paid staff of the CBO. The work of numerous such activists and organizations in India—which political scientist Rajni Kothari identified as "non-party political formations"—was looked upon suspiciously by the state.

This early history of CBOs signified the birth of pluralist democratic cultures in many developing countries but has been ignored in the current policy environment characterized by free market reform and the dismantling of the social democratic state apparatus. With the imposition of structural adjustment programs and neoliberal economic policies in Africa, Latin America, and South Asia, CBOs have become useful and even essential to the functioning of international donor institutions. The lack of state infrastructure, combined with the decline in state entitlements to the poor, has led donor agencies to channel greater amounts of aid to CBOs and NGOs rather than to state governments. In fact, the Financial Times reported in July 2001 that the United Kingdom is increasingly inclined to fund locally based NGOs directly, bypassing its own NGOs such as Oxfam.

The parallel between a "minimalist" state and the exponential increase in community development NGOs has led development theorist Geoff Wood to conclude that the phenomenon is analogous to "franchising the state." Financial institutions both recommend the withdrawal of state support from the social sector and allocate aid to community-based NGOs for those very same social services. This phenomenon indicates that the expansion of the NGO sector has been externally induced by foreign policy decisions. This dual policy of aid institutions undermines the credibility of NGOs, formed during their early community-based operations, as homegrown constituents of a thriving political culture, independent of patronage from state and international institutions. Their dependence on external funding and compliance with funding agency targets raise doubts about whether their accountability lies with the people or with funding agencies.

The Evolution of CBOs

This influx of money, combined with pressure to lead when the state is absent, has forced NGOs and CBOs in particular to restructure their operations to suit the new partnership with First World donor agencies. In this process, the organizational ethic that distinguishes CBOs as democratic and more representative of the popular will than other types of NGOs is being dismantled. CBOs have an active membership base among the particular community in which they work, be it urban slum-dwellers or poor farmers. These "target" or "client" groups at the local level are themselves involved in decision-making processes and provide organizational direction often through a complex tiered system that involves members from the smallest unit (such as village or hamlet) to the larger district level. This form of direct democracy enthralled donor agencies but also inconvenienced them. On the one hand, it locates the unique strengths of NGOs, which, as outlined by the World Bank in 1998, include "their ability to reach poor communities and remote areas, promote local participation, operate at low cost, identify local needs, build on local resources." On the other hand, direct democracy is inconvenient to international donor agencies because of its "limited replicability, self-sustainability, managerial and technical capacity, narrow context for programming, and politicization."

In order to better serve the needs of donor agencies, funding is directed toward non-membership

CBOs or what the World Bank has designated as “operational NGOs”—groups that operate within poor constituencies but are not organizations of the poor. Operational NGOs are thus organizations “engaged primarily in design, facilitation, and implementation of development sub-projects,” and they have been explicitly designated as the preferred recipients of World Bank funding. As a consequence, the nature of NGO activity at the local level has shifted significantly. The implementation of projects calls for training in specific skills rather than a more general education that involves analysis of social and economic policies and processes. In other words, these developments have compelled CBOs to adopt a narrowly economic and apolitical approach to working with the poor. The logical consequence of funding flows is that CBOs that have no local support or participation have sprung up overnight. Stephen Commins, a World Bank social policy analyst, admits that the Bank now faces the problem of assessing whether a local organization really does have broad based support or whether it is a “bringo”—“bring your own NGO.” But the donor community continues to ignore its own warnings about both the growing disconnect between the people and NGOs and the resulting crisis of credibility.

The change in focus of NGO activity impacts the organizational character of NGOs as well. The shift toward a managerial and functional approach to development has led to a more professional orientation to the extent that professionally trained staffs constitute a significant component of the leadership in CBOs today. The change in leadership has an enduring impact on the political capabilities of NGOs because a technical staff tends to regard its work as apolitical and disconnected from larger social and economic processes, such as structural adjustment or international debt policies, even when they directly impact the poor. More often than not, technical personnel adopt a functionalist problem-solving approach to social issues of inequality and poverty that translates into paternalism toward the poor. In other words, the professionalization of community-based NGOs and their subsequent depoliticization represent two sides of the same coin and produce a common set of effects.

Neoliberal “Empowerment”

This new emphasis on project implementation at the local level results in a focus on individual capacities to minimize the social and political causes of poverty. The apolitical and managerial approach to community development draws upon the liberal notion of empowerment in which the poor are encouraged to find entrepreneurial solutions to their basic needs. This entrepreneurial notion of empowerment (not unlike the US motto of “pulling oneself up by one’s bootstraps”) is altogether different from the understanding of empowerment for social justice that characterized the work of CBOs in the post-World War II development period. In the current use of the term empowerment, the individual is posited as both the problem and the solution to poverty, diverting attention from the issue of the state’s redistribution or global trade policies. On the other hand, the “development with social justice” approach involves educating the poor in terms of both social and economic policies and their own political rights. This strategy is similar to the one used in the women’s rights and environmental justice movements, which aim at empowering individuals to change their societies.

The partnership between NGOs and new economic institutions has thus enhanced NGO activity by separating NGOs from their original mandate to organize the poor against state and elite interests. This is a clear case in which market demand determines supply. Operational NGOs emerge and flourish to meet the demand of international aid agencies, thereby restructuring political engagement at the local level in completely new ways. CBOs are increasingly engaged in empowering the poor to become active in their own development, which is much in the spirit of the World Bank’s own conception of empowerment. The World Bank’s Participation Sourcebook explains: “As the capacity of poor people is strengthened and their voices begin to be heard, they become ‘clients’ who are capable of demanding and paying for goods and services from government and private sector agencies. ... We reach the far end of the continuum when these clients ultimately become the owners and managers of their assets and activities.”

The popularity of micro-credit programs among NGO projects can be understood within this context where the state is no longer responsible for creating employment, and the poor are expected to strengthen their own capacities toward livelihood security. Micro-credit programs are well suited to the neoliberal economic context in which risks are shifted to the individual entrepreneur—usually poor women who are forced to compete among themselves in a restricted, uneven, and fluctuating market environment. The promise of livelihood security thus translates into optimal utilization of one's own capacities and resources.

The neoliberal notion of empowerment leads unmistakably to the marketization of social identities and relations. Individualizing the process of empowerment where each individual has to build his or her capacities to access the marketplace reduces the concept of public welfare to one of private interest. The identity of the "citizen" is reduced to that of a "client," such that the solution to social inequality requires individuals to build their capacities to access the marketplace. Public welfare is reduced to an aggregate of individual gains, and the social democratic notion that public welfare is something that must prevail over and above private gain ceases to exist. Questions of public goods and services or of distributional issues are ignored in this version of empowerment and participation. The democratization that NGOs represent is thus more symbolic than substantive. For the most part, they are engaged in producing a particular kind of democracy that coincides with and can function within a neoliberal economic context.

Studies conducted independently by scholars in different countries have confirmed the phenomena of both NGO professionalization and depoliticization at the grassroots level and agree that there has been a remarkably rapid shift both in the organizational character of NGOs and in the nature of their work. For instance, Miraftab traces the evolution of Mexican NGOs from organizations geared toward "deep social change through raising consciousness, making demands, and opposing the government," to organizations aiming at the "incremental improvement of the poor's living conditions through community self-reliance." In my research in Western India, I found a similar transition from consciousness-raising and political-organizing work to an emphasis on skills-training for economic livelihood projects. In each case, community-based NGOs moved away from empowerment programs that involved political organization of the poor and education about unfair state policies or unequal distribution of resources. Instead, NGOs have adopted a "skills training" approach to mitigate poverty and inequality by providing social and economic inputs based on a technical assessment of the capacities and needs of the community.

Operational NGOs that establish instrumental relations with their constituencies allow development experts to proceed as if the demands of the people are already known and pre-defined—demands such as roads, electricity, literacy, mid-day meals, birth control for women, micro-credit, and poultry farming. Empowerment and participation are simulated by NGOs and their donor agencies even as their practices are increasingly removed from the meaning of these terms. As a result, grassroots organizations that do not function within the "operational NGO" formula of simply managing development projects in a technical and professional manner and instead politicize social and economic issues of livelihood security, health, water, and education are delegitimized as anti-national and anti-development. Dubbed "anti-globalization" movements by the popular media, these organizations are actually invested in making globalization work for the poor. Economist and Nobel Laureate Amartya Sen eloquently argues that the work of political NGOs and other organizations forces us to reckon with questions of redistribution and equity within and between states that are largely ignored by current development policies. The one outstanding exception to this general negligence is the debt relief granted to highly indebted poor countries, a program that was itself made possible by an NGO campaign.

Another issue that has been neglected in the discussion of NGOs is the rise of religious conservatism in many developing countries. While the NGO sector in these countries represents a significant counter to the religious right, corporatized NGOs disconnected from the popular base are significantly constrained in their capacity to intervene in this emergent political crisis. To recover the

value and ethics that underlie social and economic development, it is necessary to examine donor patronage of the NGO sector, the depoliticization of CBOs, and the ascendancy of religious and cultural nationalisms as interconnected processes.

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