

CDRA

AN ANNUAL DIGEST

FOR PRACTITIONERS

OF DEVELOPMENT

2010/2011

Investing in the immaterial



Introduction to the idea of a digest for practitioners of development

Considering the Snail

*The snail pushes through a green
night, for the grass is heavy
with water and meets over
the bright path he makes, where rain
has darkened the earth's dark. He
moves in a wood of desire,*

*pale antlers barely stirring
as he hunts. I cannot tell
what power is at work, drenched there
with purpose, knowing nothing.*

*What is a snail's fury? All
I think is that if later
I parted the blades above
the tunnel and saw the thin
trail of broken white across
litter, I would never have
imagined the slow passion
to that deliberate progress.*

Thom Gunn

Welcome to the first edition of what we hope will be an annual digest for practitioners of development¹. It aims to offer a thought-platform for all kinds of practitioners and activists in the worlds of development, development aid and civil society organisation. Here we hope to reflect on and inquire into topics of mutual concern, speak out of experience, directly to each other and to others, and in so doing, amplify the voice of practice, and of experience, in development discourse.

Over time, we hope that the practice digest comes to be associated with a thoughtful and critical practitioner voice. And by ‘practitioner,’ we mean any person involved in the myriad processes that make up development practice and civil society organisation – not just those who work in the field. To that end, the first edition reflecting on 2010 and taking us into 2011 is a ‘test’ publication, out of which further shape will be given to the idea, in consultation with contributors, readers, donors and other practitioners.

We invite you to read this edition with an engaged and participatory eye. At the end of the digest, we ask you to consider your experience and thinking about the idea of a digest for practitioners of development ... and let us know the direction you think it should take. We would be deeply appreciative of all and any thoughts that can take our thinking for the future of the digest further.

¹ This initiative has its roots in CDRA's Annual Reports which, over almost 20 years, were key means by which we shared ideas and learning. In more recent years, and partly as an outcome of our endeavours to work in a more collegial and externally focused way, we realised that the Annual Report in its old format had run its course. Annual Report essays from 1991 to 2002 were compiled into a publication, “Dreaming Reality: The future in retrospect” by Allan Kaplan. This publication, the original stand-alone Annual Reports and subsequent Annual Reports, are available in hard copy from CDRA's offices and also on our website.

For now though, we would like to elaborate a bit more on how we understand development practice, and why, of all things, we have chosen to illustrate this launch edition with the image and metaphor of the snail². In a world preoccupied with pace, efficiency, information and intentional outcome, it may seem strange – even a little ominous – to begin such an endeavour with a sketch and poem about a snail. Why have we chosen to do this?

Well, at one level, there are some rich metaphors here: It is often said that development practice is slow, that it takes time, and even that the developmental process cannot, by its very nature, be hurried. More so, development practice, at its best shows “deliberate progress” and is “drenched with purpose.” It works with passion and fury. We might even say that “knowing nothing” is one of its finest qualities as it continues to learn itself into new and appropriate approaches, drawing on context and situation analysis for its direction as much as on principle, mission and plan.

The snail's body – soft, responsive and adaptable – describes one part of our practice, as does its antlers' sensitivity to its environment. Its shell describes another facet – and reminds us that responsiveness and softness require a carapace, some form – as much to offer definition as to provide protection. In the world of development practice this is a particularly challenging reality as the doing of this work too often becomes subject to the whims and fashions of policy and technique. Building a body of practice and asserting its particular requirements in our world and current context is not easy.

² These ideas, and the use of Thom Gunn's poem as an illustration of practice, come from an evaluation of the Cape Flats Nature project, conducted by Sue Soal and Howard Langley in 2007.

As an outcome (and considering the urban and rural decay of the environments in which development practice occurs), we might be tempted to describe its impact as a “bright path ... across litter.” Looking at the sometimes fraught context of development aid and civil society organisation, we might see development practice as pushing through a “(green) night.” We practitioners might even see ourselves, and our attempts to be reflective and self-aware in the role of observer, simultaneously parting “the blades above the tunnel” even as we do the work.

But these stretched metaphors are not the whole point of this exercise. Really, the central themes that we encounter when thinking about development practice at its very best and in light of its very best intentions, so beautifully evoked in Tom Gunn’s poem, are those of purpose, endurance and humility.

The snail’s slow and humble progress, utterly purposeful, yet without haste or fervour, is counsel for us all. It offers a counter-balance to the urgency and conviction of our context and times; to the mania of unrealistic deadlines and the hubris of randomly determined goals and deliverables. It reminds us of the need to keep going, even when things do not go ‘as planned’, or intended, or wished for. And it reminds us that our work is one small part of a much larger picture.

We sincerely hope that its tone and perspective is reflected in the ‘offering’ that this digest represents and in the processes for taking its development and life further.

INVESTING IN THE IMMATERIAL – PRACTICE DIGEST 2010/2011

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They are playing a game.

They are playing at not
playing a game.

If I show them I see they are,
I shall break the rules
and they will punish me.

I must play their game,
of not seeing I see the game.

RD Laing



Investing in the immaterial – practitioners reflect on what is happening in the resourcing of civil society and its organisations

SUE SOAL
CDRA South Africa

In recent years, CDRA's neighbourhood has transformed. Across the road from our office, what was a humming, rowdy clothing factory for our first decade on the street, has now emerged as a centre of warehouse-style office space, anchored by several prestigious art galleries. For some months, an intriguing artwork hung from the exterior face-brick wall of this old factory: "*Invest in the immaterial*" it urged, written in gigantic neon blue cursive script, spanning some 10 metres.¹

This directive gleamed down on our building and got inside of our thinking as we moved in and out of our office, and turned over options for the theme of our first practice digest. The sign suggested an intriguing angle.

It goes something like this –

The idea that civil society works with non-material and invisible factors is not a controversial one. The essential means and ends of civil society are intangible, immaterial (despite their very material outcomes and consequences). Citizen engagement, community

¹ See www.goodman-gallery.com. The sign is a comment by the partnership Rosenclaire on current trends in the art trade. Given the history of the building on which it hung, it offered an ironic comment on the building's changing purpose and, given the decline in Cape Town's once vibrant clothing manufacturing industry, a whimsical alternative to the very material activities of cutting, making and trimming.

spirit, cultural expression and organisational capacity cannot be seen or touched directly, yet they are as necessary to effective civic organisation as water is to life itself.

This idea, of invisible formative forces, is echoed in ecology where we ‘observe pattern’ and then ‘infer process’.² In coming to understand whole systems, ecologists seek out the underlying processes – extending over time and not immediately apparent – that give rise to patterned observable physical phenomena. They work from the premise that there is little point in trying to change a single physical phenomenon, if the pattern remains unchanged. And to change the pattern, the invisible process giving rise to it must be recognised and engaged with.

It seems that in the worlds of art and of science – both of which are outwardly concerned with the physical world – we encounter deep and engaged sense made of those invisible processes that create landscape, system, art-work, idea and meaning itself. We encounter an understanding of affect and effect as being created by formative yet invisible processes – invisible by virtue of the fact that they happen *over time* and *between and amongst elements of the system* and so demand a completely different approach to understanding and valuing them.

This approach moves beyond simple material observation and intervention, employing concepts of time, movement and relationship and requiring conceptual reasoning and an imaginative sensibility in order to make sense of the underlying whole.

Understood in this way, we can see how ‘investing in the immaterial’ – in art, and in aspects of science, is increasingly valuable, even essential. One would think that in the field of human endeavour, where so much rests on intangible qualities and processes, such investment would be valued too. Yet. And despite

all common sense to the contrary, despite our intuitive knowing of the importance of the invisible – the immaterial – in civil society organisation, the idea that resources might be properly utilised in strengthening those intangible, invisible elements and processes that make it up is controversial. It remains complicated.

For this reason we have chosen to address our first practice digest to the hard realities of the resource-context in which we work. Practitioners who work directly in the field are affected by this context daily and the holistic nature of our work demands that we are informed and engaged in thoughtful reflection on these questions. Group method, evaluation technique and participatory tools alone are insufficient to equip us to do the work. Other practitioners – managers, researchers, fundraisers and donors themselves – engage with these issues sometimes to the exclusion of all others.

There is no doubt that ‘resource mobilisation,’ allocation and accounting are a central part of the work of any practitioner of development. In the current context it may well be the most pressing issue of all.

Witness the acknowledged need for human ‘capacity,’ institutional sustainability and long term community development (or healing, or peace-building, or ‘capacity,’ again), at odds with the short-term, material-delivery projects that spring up around them. Little regard (or resourcing) is given to the very conditions needed to achieve these goals. Conditions of time, trust, sustained engagement, voice, participation and human agency.

Witness the sophisticated motivations for complex and interdependent social change processes, not to mention edgy interventions that advance the boundaries of democracy and freedom, at odds with the short-term material delivery emphases of a project approach.

² From a talk given by Georgie Ractliffe, freshwater ecologist, to the CDRA Biennial practice Conference May 2009



Witness how even proponents of these same processes struggle to translate their intentions into non-negotiable requirements and coherent practice, and how easily this leads to their aspirations being dismissed as ‘ideal’ but not ‘realistic.’

Witness the difficulty that funded initiatives working in support of civil society organisations have in securing core funding. It seems that the very processes that sustain much of the work undertaken in support of civil society – networking, linking, training, organising, maintenance, fundraising, management, research, learning – are the very activities that are considered less-fundable.

Witness also the elaborate manoeuvres that increasingly street-wise managers and fundraisers have to go through in order to secure such funding – stretching and reframing project proposals, building in ‘fat,’ recovering core costs through inflated estimates of project costs.

Witness the massive spending on consultants, when organisational costs, including those for open-ended fieldwork and community organising, would cost less and be more enduring.

Witness the excessive demand for ‘proven impact’ on ‘direct beneficiaries’ when all too often the real point is to transform, change, strengthen, improve whole systems – not simply transfer resources to a collective bunch of enumerated individuals.

Witness growing recognition of the fact of a ‘dual accountability’ system. There is one for reporting and accounting that answers quantitative and often incomprehensible questions (where it is questionable whether those answers can, or will, be read by any other human being) and another for tracking, adapting and improving actual work done on the ground.

Witness the discontinuities created by shifting strategic priorities of agencies in the north, themselves struggling to maintain purpose and place in their own worlds.

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In this, the first edition of the practice digest, we have been fortunate to receive a bounty of goodwill and engaged, thoughtful contribution from a spectrum of practitioners, all of whom have given serious thought to the questions raised by this topic, and accounts of their experience and contexts. Taken together, these voices offer a bracing, sincere and alarming account of the current situation around resourcing of civil society.

Rajesh Tandon’s opening article sketches a view of how things have changed in the resourcing of civil society work over 30 years, bringing us to the present. He outlines the dilemmas he faces in painful detail: a development industry characterised by the mantra of ‘delivery’ at odds with the core political and ethical value inherent in working in a participatory manner; the impact of competitive outsourcing practices on the work of development; the tensions between philanthropy and citizenship and finally, how becoming a capacity builder to others is at odds with the value of local ownership and autonomy. Rajesh concludes by asking, “I do not have many, or any answers; do you?”

Several themes run across the articles offered. The one that spoke to us most forcefully, perhaps because it is the one that practitioners can most do something about, is that of the **game that is being played** (hence our use, at the start, of the quote from Robert Laing).

It is an elaborate and delicate play – one in which all players require the consent and participation of the others (in this game there is no easy ‘they’ to point at, we are all implicated, we are all agents). Much of the game playing does good – after all, it seems to sustain the very system out of which we all work and so enables continued good work, albeit ‘under the radar’ in many situations.

Margie Keeton, Rosalind Eyben and Joe Bloggs & Patience Nyathi examine this question from various vantage points and reveal the shape of play through their analysis and accounts of experience. Rosalind states “No official aid agency has been prepared to under-

take a study that aims to learn about their staff's everyday practices ... however ... it seems that relational practice is far from uncommon in aid agencies.“ This observation, and challenge, got us wondering how funding policy and strategy might be different if it were truly informed by the wealth of wisdom and practice inside of its own institutions.

Rubert Van Blerk & Undine Whande offer a finely observed and articulated portrayal of just how relationships in civil society and in the world of aid could be different. They show how much of the success of work done in the name of development is by its very nature obscured, sometimes even secret, and suggest that the initiative they are working in “may well be working at its best when nothing can be claimed on its behalf.“ Taken seriously, this suggestion has radical implications for how the work of development is resourced, accounted for and evaluated. In posing it, and in presenting their perspective in the form of an ongoing conversation, they showcase just how much that ‘difference’ demands of us as participants in the same system we seek to change.

Khanyisa Balfour and Amelia Jones both explore the South African reality, each pointing to the need for devotion in thinking and practice, not lip-service, to the essential purpose and values of those working in civil society organisations – even when this places us at odds with other trends in our country. In this regard Michael Edwards provides a strongly argued caution against the trend towards tapping into philanthropy (and business-like approaches) as an alternative resource for civil society organisations, invoking and reminding us of the essential character and distinctiveness of where we come from.

Finally, and placed as a deliberate end point to this year's digest, Remko Berkhout offers clear strategic direction on how we could engage differently (less playing the tactical game, more strategy and practice) and again returns us to fundamental questions of principle and practice. There is no point in being strident or in wringing our



hands. The times really do demand that we change – but not in simple or opportunistic ways.

A related theme that emerges throughout the digest contributions, and particularly in those from Margie Keeton, Khanyisa Balfour and Michael Edwards, is that of **corporate social investment and private philanthropy as the new resource to civil society organisations**. If we view the resourcing of civil society organisations as a merely pragmatic task, then CSI and philanthropy might appear as obvious answers to the current dilemmas faced by those traditionally supported through governmental sources.

Roles and functions in the post-modern world are increasingly interconnected. Corporates really are needing to do good for society; civil society really is required to ‘deliver’; government really is on the wane – the benevolent social democratic welfare states of the post-war era are no more. The logic of business has long-ago entered government and is set to enter development, development funding and even civil society organisation, the impact of which we are only beginning to imagine and experience. And not all of it will help to make our organisations ‘better.’

There is much talk of collaboration and cross-sectoral work, yet how much of this impulse is informed by a full appreciation of the essential value that civil society organisations offer the world, as Michael Edwards asserts, of the “non-market virtues of love, compassion and solidarity”? Are we really talking about collaboration, or just another approach to outsourcing and attempts at more efficient delivery? And if initiatives at cross-sectoral work become the new mantra, without a corresponding uprightness as to purpose, value and role from those in civil society, what are the long-term consequences for the distinct space and value that is held by these organisations?

Perhaps because there is an increasing valuing of control and business-like methods, the third prominent theme that we identified running through the digest (and particularly in present-day South

Africa) is that civil society organisations, and those that work in support of them, are encumbered by the **perception – from outside, and from within – that they lack ‘capacity.’**

This entrenched perception has taken on the status of fact, despite, as Khanyisa Balfour’s dry observation indicates “that some NGOs are governed and managed a lot better (both financially and structurally) than some CSI departments.” Of course, this perception is perpetuated by our own collusion in the game: to secure funding, we must establish ‘need’. To establish ‘need’ we must establish ‘lack’. It is as if the work of civil society organisation cannot continue without scarcity; not only of wealth, or infrastructure, but also of insight, ability and organisational capacity. We work within a system that rewards weakness and is blind to ability, change and developing competence.

This is so very clearly illustrated in our survey – “Current realities in South Africa – a questionnaire and responses” We had in mind a brief survey of several South African NGOs (20 were approached, 13 contributed), in which we would ask the same questions, and see what kind of ‘aggregated’ response we received. A kind of a narrative-log frame. We imagined that this would offer another window into the realities of practitioners who engage with the task of resourcing their organisations. What we did not anticipate was the level of response and engagement that we received, and, more so, the liveliness, diversity and adaptability. This article in the journal, taken as a whole, showcases robust, creative AND intelligent strategies for reading context and devising ingenious responses. These are not hapless victims, nor people without ideas. Yet still, the perception that ‘help’ is needed dominates, even when ‘partnership’ is claimed as the preferred mode of engagement.

The fourth, and final theme, identifies some of the difficulty that lies within.

The last few years have seen NGOs, especially those closest to the funded environment, reeling from a withdrawal of hard cash and

simultaneous increase in onerous processes of proposing, reporting and accounting that accompany the remaining money. While NGOs and the funded world are by no means ‘civil society,’ the reality is that the service sector plays an essential role in supporting the world of voluntary organisation, community development and social mobilisation. And here we found ourselves asking **what of our own resourcefulness?** In the pages of this digest, this question is implied in many of the contributions, especially in consideration of strategies for the future.

The central message is an acknowledgement of some loss of vision and purpose for organisations working in and in support of civil society. While we show uncanny ability to devise short term survival strategies, it may be that this ability is being exercised at the expense of our longer term value and contribution. Perhaps this is the ‘elephant in the room’ – organisations in both the north and the south may have lost touch with their base – that of people’s organisation. What connection do organisations, especially funded organisations, in civil society have to these roots?

Throughout the message is clear: clever compromise and incremental tactical accommodation to the forces of the day are no longer enough to save these resources for social change and for development ... and in fact, it may be precisely the source of our undoing. The more we approximate to the demands of systems that are not centrally concerned with the process of development and social change, the more we undermine our ability to support that very work. As long as we continue to play the game, we diminish what we claim to stand for, defend and advance.

Perhaps we should not be overly awed by the methods, logic and values that, over the last 30 years, brought us to this point of global crisis. Perhaps there is something that civil society, and those who seek to work within it and in service of it have to offer. And that offer should be brought with boldness, clarity, resolve and assurance.



Michael Edwards puts it like this – “we need to remember that significant social transformations have only ever occurred when large numbers of ordinary people, acting on human values, and not just their own self-interest, gain enough collective strength to change the rules of the game.” This, and many similar sentiments in the pages that follow, remind us of where our fundamental purpose lies. And in this regard, we have a formidable body of practice and experience – a great deal of it ‘underground’ – which can be brought to the fore and used as a source of expertise and leverage (especially if attention were given, as Rosalind Eyben suggests, to discovering what is actually happening on the ground). The practice of this work is not without its own experts and the strategy could not be clearer.

Khanyisa Balfour, Margie Keeton and Amelia Jones, reflecting on the South African environment, all point to the need to return to purpose informed by a clear sense of contribution. Perhaps it is time to seek out our own base of people and of principle and, as Remko Berkhout suggests, find it across the world, not just in our own national and hemispheric silos. Michael Edwards invites us to consider ‘citizen philanthropy’ as an untapped and powerful resource – one that has at its heart a return to organisation and organising as a central form of work.

It is true that there are no easy answers to the questions posed by Rajesh Tandon at the start of the digest. In the article that we use to close, we offer a similarly personal, serious and reflective account from Remko Berkhout. In this it suggests a way forward. There are no easy answers indeed – but perhaps we need to take ourselves, and our work, seriously enough to meet the challenges that we face.



No Place to Run?

Resourcing Civil Society Today

RAJESH TANDON

PRIA, India

When I began my work in the social and human development field some thirty years ago, it was not clear to me that I could pursue my dreams through a civil society organisation (CSO). I soon realised that working through government or a political party had its constraints — routine, subordination, small pieces of the puzzle, etc. Innovation required autonomy, flexibility and agility. It was thus mostly by chance that I set up PRIA (Society for Participatory Research in Asia) as a vehicle to work on my passion ‘to enable the participation of the poor and the marginalised in shaping their own destiny.’ In India then, such non-profit entities were labeled as ‘voluntary organisations’.

Of course, it was difficult to figure out how to access funds to do what needed to be done; how to write a proposal, to whom, for how much funding — all this had to be learnt from ‘elders’ in the field (who were few and far between then). However, what needed to be done, where, with whom, and how, was relatively clear in those days.

In these thirty years, PRIA has grown and done some pioneering things; I have also had the privilege to be one of the promoters of dozens of other local, national and international CSOs, networks and federations during this period. Hence, my ‘expertise’ in fundraising has grown considerably over the years. I think several ‘competitors’ in the field are ‘jealous’ of this so-called ‘expertise’?

Now, thirty years later, I can honestly say that I am at a loss — at a loss as to the roles and niche of PRIA (and similar other CSOs in India and around the world); I am further at a loss as to how to raise resources to continue to work on that original dream. The ambiguities surrounding clearer redefinition of PRIA's roles in today's contexts arise from the uncertainty surrounding humanity at this juncture. So, after thirty years and six strategic plans, PRIA is at cross-roads, like many other CSOs.

India is now an emerging economy; in comparison to Europe and North America, the Indian economy has grown around 8% per annum during the recent recession too; many Indian corporate houses are acquiring companies and assets in Europe and North America. So, India has been 'graduated' from ODA – development aid from international official and non-official agencies has rapidly disappeared. The Indian government is flush with funds now, and is allocating huge amounts for human and social development (as well as poverty eradication). It is seeking 'partnerships' with civil society to implement its ambitious agenda. So, PRIA can access considerable resources if it agrees to implement these programmes. But, is service delivery the appropriate role for PRIA? Should it be doing it? Does it have any track record of having undertaken service-delivery in the past? The very design of these development programmes goes against the values of PRIA – they are designed to 'deliver development to these poor beneficiaries'.

Then, many international agencies (like the UN and the World Bank) have successfully taught various agencies of Indian government to follow the 'tender' route to procurement of services. Therefore, a state government agency invites a public tender from NGOs and others to undertake programmes like capacity building of local government officials (an area of considerable expertise in PRIA). However, all kinds of agencies, not just CSOs, are eligible to apply, and PRIA faces competition from consultants and their firms. For various management and accounting consulting firms, such tenders provide an opportunity to bag bigger contracts later; they 'underbid', and then get the contract; then, they

recruit some PRIA staff at salary levels twice or more to implement the project (primarily through the laptops).

Since PRIA understands the value of capacity building in the community and civil society, and recognises the significance of the same for better implementation of existing development schemes of the government, it is approached by some private foundations to facilitate such capacity building. However, those foundations have professionals as experts in capacity building, who have very clear ideas about the content, pedagogy, methodology and outcomes of such capacity enhancement interventions; PRIA has to merely act as a conduit for the 'expenditure' of that budget line.

Another 'new' option for us in India is to seriously explore private philanthropic resources. Most individuals and families give — they give primarily for religious institutions and purposes; they also give for very tangible causes— orphanages, schools for the street kids, planting of trees, treatment of malaria and cancer, etc etc — these are tangible, concrete, measurable, charitable, do-gooding activities, which, when financed, lead the 'donors' straight to heaven. The era of globalisation has also made our large corporations engage in CSR (Corporate Social Responsibility) types of programmes; most of these are located in sites which have corporate interests, and are used as marketing and branding strategies; PRIA is regularly invited to 'partner' with them in thus 'promoting' their brands. Is this the new role for PRIA? Neither individuals nor private foundations are willing to support such civil society actions which focus on reforming governance to make it more accountable to citizens — all citizens.

Finally, PRIA has been 'encouraged' by some donors to take its expertise to countries which are lagging behind in the MDGs — typically implying that most of the ODA is now focused on sub-Saharan Africa. However, in these days of efficiency and downsizing within such funding bodies, it is expected of PRIA-type CSOs to open offices in those countries, recruit expatriate staff, and channel large chunks of money to



'recipient' NGOs whose capacity enhancement then PRIA can readily undertake. But, PRIA always believed in strengthening local capacities and institutions; it does not believe in mixing funding with capacity building since such approaches become supply-driven (by funds and funders), and not demand-driven and 'owned' by the local institutions themselves.

So, where does PRIA go to access resources to remain autonomous in its perspectives and critiques – autonomous from the governments and corporations? If support for strengthening grassroots capacities and voices requires PRIA to undertake service-delivery, should it do so? If accessing funds through tenders entails some compromises on principles and practices, should that be done? If growing big and global entails opening branches in other countries, should PRIA 'give up' on its values of indigenous knowledge and capacity? Or should PRIA enter the world of for-profit — a new business model? — and use its post-tax surplus for pursuing its vision? Or perhaps, that vision itself is outmoded and outdated?

I do not have many, or any, answers; do you? Or, maybe, these sets of questions are unique to PRIA? Or perhaps, I haven't 'learnt to change with the times'?

Business and Society – *the role of civil society agencies*

MARGIE KEETON

South Africa

For much of the last century the concept of business and society would have attracted very little debate. To most informed people it would have been totally meaningless. The contribution of business to community well-being and general welfare was seen as being limited to responsible employer and tax-payer, driving economic growth that resulted in national and individual prosperity. Civil society played a watchdog role, guarding against corporate excesses or supplementing state delivery of basic social goods as supported on occasion by corporate philanthropy. As a result, business recognised only two forms of NGO – activist organisations that ran campaigns were to be avoided, welfare organisations that undertook 'good works' to be assisted.

Today the situation is much more complicated. We are witnessing the closing of the circle – business and civil society are no longer at opposite ends of the spectrum and the boundaries between the economic and the social have blurred. Increasingly, civil society agencies (both the activist and the welfare) find themselves having to develop more businesslike ways of operating; while social responsibility is a growing challenge for



business. Issues of efficiency, sustainability and cost effectiveness feature regularly in the strategic planning of NGOs, while business leaders are increasingly preoccupied with running successful operations while addressing local community needs *and* resolving global social challenges.

Increasingly there is only one agenda. The world is urgently seeking ways to marry economic and social value, and every effective agency, public and private, big and small, global or local is being called upon to play its part. Experts across the globe are telling business and civil society to move closer together and to forge associations around their increasingly common goals. However, despite the fact that they are moving into the same operational space (or more likely because of it), the relationship between business and civil society remains as contested as ever. These are very tough challenges for both business and society and few are finding the new roles they are being pressured into very comfortable. These are global shifts but they are being felt just as painfully in South Africa.

More money is available from business sources to address social needs in South Africa than ever before. The global downturn has had an impact, but this is only temporary, and in time the profits for broad based community development that are enshrined in many of the Broad Based Black Economic Empowerment (BBBEE) structures will generate what in some cases are frighteningly large amounts of funding.

Surely this will set relationships between civil society and business onto a more sound footing, you might argue, since NGOs are increasingly the only agencies able to spend such money

effectively. The answer is typically South African - *ja nee!* For business, ownership of the developmental space is increasingly important. Because companies have to account for their social impacts, control of all mitigating and pro-social action has become a strategic imperative. As a result the avenues for spending such money are shutting down as corporates seek business advantage by aligning their developmental investments with corporate interests. Narrow, specialist interventions are being preferred to broad developmental programmes. Welfare projects have been the first victims of this trend. In addition there is a strong geographic bias to where money is being allocated. Good neighbourliness is something to applaud as a business practice, but South Africa is a very large country and there are swathes of territory (often the very areas in which the very poorest communities remain trapped) which have no linkages to major corporations. Small towns and rural backwaters already suffer serious economic neglect; now they also face exclusion from the important benefits of social spend by business.

In addition to the segmentation of the country, there are other potentially negative consequences arising out of the ‘new style’ corporate social investment (CSI) that local corporates are turning towards. All businesses should want to spend their precious CSI resources as effectively as possible. This is crudely described as getting ‘the most bang for your buck’. This is a simple concept, but one which in practice begs a number of important questions – how exactly is ‘bang’ defined and measured and how rigorous a review informed how the buck would ultimately be spent?



These are questions that welfare and development NGOs are increasingly asking as they struggle to come to terms with CSI priorities that are set unilaterally. Ironically in the search for distinctive models of CSI that add meaning to the corporate brand, many companies are coming up with approaches that look and sound very much like what others are doing. Such homogenisation of CSI is perhaps inevitable when corporates view development and social need from only one eye. And when they relegate NGOs from independent development players to service providers, ignoring the expertise and wisdom they could offer for a broader vision underpinned by programmes that are both imaginative *and* relevant.

Many NGOs are feeling squeezed out of the development arena by this more forceful approach from business. The value of NGOs comes often from the diversity of approach they follow, informed by close first hand knowledge of realities on the ground. As relative newcomers to the development world, many corporates are largely unaware of the obstacles that undermine well intentioned efforts at social change, until and unless they are pointed out by those in the know. But business is often impatient at the time taken to understand and then navigate around the deeper complexities of community upliftment. The result? The ‘all hat, no cattle’ scenario where bold, new corporate vision flounders, its only legacy broken dreams.

Companies in the main are trying to make their now mandatory social contributions in ways that are ‘good for business’. Is this enough? No less a guru than Michael Porter of the Harvard Business School thinks not. He is now arguing for an approach that moves beyond trade offs and compromises to one in which

business activities focus on the sweet spot where “shareholder interest and social interest most strongly intersect”.

Porter’s vision is to get business to do far more for society and do it more quickly and effectively by turning the adage on its head and working to achieve “business for good”. This is big thinking indeed. To begin to realise it, business is going to have to change radically, but so are NGOs.

Porter and others are arguing strongly for new partnerships between business and NGOs. Here is the space where NGOs can reclaim their unique role as social catalyst. Where their more flexible and free ranging approach can rekindle the informed ‘can do’ spirit so badly needed to secure lasting social change. But this will require a fundamental mindset shift of its own. NGOs need to recognise that they are in business too – the business of generating and selling social value. They have to smarten up. A more strongly corporate mind set will help NGOs select and focus on those interventions that produce demonstrable value. Good works alone are not enough – they have to be good works done well. When playing in the big league, the organisation becomes as important as the cause. Sustainability is no longer a matter of hand outs, but of resourcefulness. NGOs have to pay far more attention to building robust structures based on new technologies, effective people development and strong management. Sadly a number of NGOs will struggle to cross this resource threshold being either too small, too vulnerable or too individualistic to make the shift. It may come down to a matter of the survival of the fittest.



It is only fair to point out that the ‘all hat, no cattle’ criticism can apply to NGOs just as much as to business. The cause is a common one – a confusion between scale and impact, and between delivery and development. Mary Anderson has noted a tendency among large international relief agencies where “what begins as affirming generosity becomes a system of externally driven delivery of things and services”. When NGOs lose the human scale and pressure of deadlines robs them of any sense of feeling for their intended beneficiaries, they lose everything.

Development has become big business globally. But it should never be allowed to become so big that care and compassion are compromised. In bringing the full measure of their contribution to the common table in future, NGOs need to remember their roots. Civil society agencies, whether activist or welfare in focus, came about because small groups of like-minded individuals stood up to confront neglect, injustice, abuse and suffering. In every instance they were powered by the greatest intangible of all – hope. Hope is infectious. It is energising. It helps people believe in themselves – and in others – again. A thousand lights can be generated by a single candle without it being diminished – a single NGO working in hope can pass on the same power to thousands of people in need and see only the opportunity to do more.

Hope is the one quality that civil society agencies need to keep alive. Hope is what business will also be nurturing as increasingly it turns to work *with* NGOs to create more, lasting social value. This is the future for business and society and the sooner both parties recognise it, the better.

Relationships matter: the best kept secret of international aid?¹

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Introduction

When working for DFID (Department for International Development) in Bolivia, I arranged for the UK Government to finance two parallel initiatives for people in marginalised communities to secure identity cards – and thus the right to vote. One initiative was to finance a consortium of grass-roots organisations; the other to finance the State’s electoral commission. Both initiatives aimed to get more people possessing identity cards but they way they went about this was based on very different diagnoses of the causes of the problem. Both initiatives were relatively successful. However, when, after I had left, a second phase of support was planned with a wider group of donors, it was decided for reasons of efficiency to bring these two initiatives together under a single financing umbrella. The donors obliged the Bolivian concerned parties to negotiate the design of a common programme. The negotiations dragged on for over two years, leading to a collective loss of energy and creativity. A subsequent independent evaluation noted that by forcing the different initiatives – and organisations – into a single, multi-donor financed umbrella programme, donors

¹ This present piece is a simplified and shortened version of an article that originally appeared as ‘Hiding relations: the irony of effective aid’ in the *European Journal of Development Research* June 2010.



failed to take into account the different world-views of the implementing organisations and the mutual mistrust that prevailed between them.

My initial insistence on funding two separate initiatives had been based on a belief that good practice in international aid requires being alert to and working with rather than against patterns of social and political relations and recognising that there are multiple diagnoses and solutions for complex problems. I have been far from alone in taking such an approach as demonstrated by a burgeoning literature in development journals. (See references for some examples).

This literature critiques planning approaches that assume that aid practitioners are in control and that change is predictable – as expressed through the use of logical frameworks as a planning tool. Such approaches, we argue, prevent donors from responding effectively to a largely unpredictable and dynamic policy environment. Yet, our criticism seems to be having very little effect on how the institution of international aid thinks. So what is underlying this or – to borrow a phrase from Mary Midgely – what is its philosophical plumbing? And why is there so much resistance to our arguments? These are the questions this article explores. I conclude there to be challenging implications for those of us who believe that relationships matter in international development aid.

The philosophical plumbing of international aid

‘Efficiency’ and ‘results’ – today’s mantra – are only the latest expression of a certain mode of thought that has been described by a German philosopher, Ernst Cassirer, as ‘substantialist’. The substantialist world consists of pre-formed entities, in which relations among them are only of secondary importance. This is why in international aid quantifiable things play an important

role as indicators of results achieved – for example, numbers of kilometres of roads built or hectares irrigated – frustrating the empowerment and capacity development efforts of agencies receiving official funding. I remember a recent workshop where someone said, “The log frame would make us appear to have failed but we have achieved so much”.

Substantialism is a mode of thought that categorises things, including people and abstract concepts. I have spent much of my working life as a substantialist and in many contexts continue to think this way.

Even with a people focus, I can still think as a substantialist. I began working for DFID in the 1980s at a time when many British-funded projects were designed on the basis of exploiting a technology or resource; only then was a half-hearted effort made to associate this with improving someone’s wellbeing. I found that a log frame could help put people into the picture – but these were people (although I did not think of it then that way) as categorical subjects such as ‘the landless poor’. Joy Moncrieffe and I have written about this in *The Power of Labelling*. Substantialists also ascribe essential properties to abstract concepts. For example, ‘greed’ and ‘grievance’ are understood as entities that can be measured and can explain why civil wars happen (see Collier and Dollar’s book).

Only gradually did I begin to think in terms of relationships rather than categories. Before arriving in Bolivia I had already been making a case with DFID senior management that ‘relationships matter’. My argument was that the complex and contingent nature of societal change and the impossibility of predicting that

Substantialist words

- Money
- Technical assistance
- Catalyst
- Aid architecture
- Incentives
- Targets
- Mechanisms
- Outcomes
- Women/ children
- Vulnerable groups



a particular event will lead to a certain outcome suggests an approach to donor action that is to develop long term and consistent *relations* with selected recipient organisations who are pursuing a social change agenda compatible with the donor's own values and mission. Rather than aiming to achieve a predetermined specific real world change in which the recipient organisation is treated as an *instrument* to that change, the focus of donor effort would be in supporting that organisation's own efforts in what may be a rapidly changing policy environment. Although then unaware of Cassirer's terms, I was thinking relationally.

Cassirer contrasted substantialism with another way of looking at the world, which he termed 'functionalism' but in more recent literature is referred to as 'relationalism'. Here, the totality is more than the sum of its parts. A musical composition is more than the notes that constitute it because it is the relation between the notes that makes it music. Relationalism is a perspective in which things (substances) are understood and observed as they relate to or are a function of other things. In this perspective individuals are inseparable from the relational contexts in which they are embedded. The connection between individuals and their social world is a simultaneous process of people making society and of society making people. Referring to aid as a catalyst is substantialist as it assumes the donor can trigger change in others without itself changing. In relational thinking, donors as well as recipients are changed by the aid relationship and it is this that produces unintended consequences.

An easy way to understand the difference between substantialist and relational/process approach is to switch from thinking about the world as a *noun* to understanding it as a *verb*. For example, in the world of business management this implies thinking about organising rather than organisations.

My predecessors in the British aid programme – the first social development advisers – emphasised process. Thus they worried that the logical framework put projects into a straitjacket, with a formulaic blueprint constraining flexibility and responsiveness to the changing environment. They argued that the introduction of log frames would damage people-centred projects because the uncertainties of emergent social relations required 'planning by approximation'. My response was that using a log frame did not rule out responsiveness and flexibility. The trick was to revise the log frame on an annual basis. At that time I had not appreciated the capacity for bureaucracy to turn a good idea into a procedural monster!

Relational words

- Patterns
- Systems
- Processes
- Waves
- Networks
- Emergent change
- Uncertainty
- Relativity

Outcomes, processes and complexity

The categorical nature of substantialist thinking leads to a paradigm of change that assumes that it is possible to gain sufficient knowledge to engineer the desired result. This works when we are dealing with what are called 'bounded problems' or what Jake Chapman calls 'difficulties'. With difficulties there is broad agreement on the nature of the problem; there is some mutual understanding of what a solution would look like; and there are limits to what is required in terms of the time and resources required for their resolution.

Unbounded problems, on the other hand, are 'messes'. There is no agreement about the diagnosis and therefore the actions required; no possibility of an eventual permanent solution because solutions generate new problems; and therefore no way of determining the quantity and type of resources needed. Why governments fail to achieve results, suggests Chapman in his little



book, is because they insist on treating messes as difficulties, ignoring the wider effects of a linear cause-effect intervention in one just part of a complex system.

Much of international development practice involves working with messes. In such contexts relationships between actors matter and actors themselves change and evolve through their interaction with each other. At their best, aid practitioners surf the unpredictable realities of national politics, spotting opportunities, supporting interesting new initiatives, acting like entrepreneurs or searchers, rather than planners. They are keeping their eye on processes and looking to ride those waves that appear to be heading in the direction that matches their own agencies' mission and values.

While some aid interventions, eg building bridges or schools lend themselves to the substantialist world of logframes and bounded problems, many others involving history, power and culture – such as identity cards for excluded indigenous people in Bolivia – do not. Here change is complex, often unpredictable and politically messy. A relational approach is useful, a substantialist one largely futile or even counter-productive. But if the case for such an approach to the complex context of international aid would appear to be so convincing, then why is it that top management continue to ignore relations and process and prefer substantialist inputs and/or outputs?

The persistence of substantialism

Not only has substantialism survived as the philosophical plumbing of international aid, it is becoming even more dominant. There is ever-increasing pressure to design projects/ programmes and report on performance in a manner that assumes all problems are bounded. The argument runs that the taxpaying public want to know how their money has been spent

in terms of kilometres of roads built, teachers trained, or children immunized. DFID, for example is now imposing extraordinary demands in terms of reporting against indicators of achievement that bear little relation to the manner and possibilities that activities have for supporting social transformation. Power, relations, the partiality of knowledge and complexity are ignored, as are surprises and positive and negative unplanned consequences. Theoretical and contested concepts such as civil society, capacity or policy become reified and then numbers assigned to the reification e.g. 'state the number of policies influenced'.

Part of the problem is that many of those driving these planning processes are very distant from the reality of the lives of the people aid is meant to be helping. Top level aid bureaucrats have some contact with front line practice – albeit usually mediated by middle management – but their principal arenas will be domestic on the one hand and global on the other. In neither instance do they wish to consider the relational messiness of the local. They are obliged to represent international aid to their peers, their Treasuries and politicians as a feasible project that they are capable of controlling. Over time, they learn to ignore what they cannot deal with.

This produces perverse consequences in which the orthodox perspective confirms previously-held convictions. Evidence is sought to check that one is still on track, not to ask whether there are other tracks. Alternative ways of understanding and tackling problems are ignored or dismissed as irrelevant. The choice of indicators is too often assumed to be just a technical matter, despite power influencing whose ideas count and what is deemed a 'result'. Many experienced front line aid practitioners, well aware of this conundrum learn to articulate substantialist discourse while responding relationally to local context so as to minimise unwanted effects. A UN official told me that many of



her agency's most effective country level interventions are those that have not been reported because these were concerned with investing in relationships rather than achieving the kinds of outcomes that get included in logical frameworks.

But is top management, while steering clear of the messiness of implementation turning a blind eye to – or indeed half-heartedly encouraging – relational practices so as to ensure the whole edifice of aid does not collapse in the face of too many evident failures?

Turning a blind eye to relational practices

No official aid agency has been prepared to undertake a study that aims to learn about their staff's everyday practices – what they are doing, as distinct from what they report they are doing – and their effects. However, from my experience as an aid practitioner and from listening to what other practitioners are now telling me, it seems that relational practice is far from uncommon in aid agencies, even among government and multilateral agencies. One example I have studied is DFID in Peru, whose office closed in 2005.

Despite formally including a logical framework in its Country Action Plan, DfID took a largely relational approach to its programme in Peru, an approach later judged as a success story in a DAC publication on human-rights-based approaches to development (OECD, 2006b). In many of its initiatives it responded swiftly and flexibly to the rapidly changing political environment after the fall of Fujimori. Staff practised planned opportunism – a way of working that requires the capacity to judge when an intervention might be critical in supporting a process of change, with active and horizontal communications between all those involved concerning what they are observing, while learning from the changes occurring as an effect of the

initial intervention. It proceeded by modest, step-by-step actions with no certainty as to what would happen next, described by complexity theorists, Snowden and Boone as 'probe, sense, respond' (2007:4).

Complexity theory posits that self-organising networks, rather than hierarchical structures, are a key element in societal change. DFID/Peru staff responded to the potential that such networks presented. They invested far more energy and resources in supporting relational processes both within and outside the State administration than in formal organisations and had little interest in securing technical outcomes.

On the other hand, un-scrutinised relational approaches can become complicit with the clientelistic cultures in which aid practitioners find themselves, undermining their own donor ideology of bureaucratic values of impartiality. DfID in Peru financed a national forum on health policy that aimed to bring together a diversity of points of view from government and civil society. Selecting, supporting and thereby privileging particular groups and networks in civil society, and working across the civil society-State divide, proved more tricky and contradictory than envisaged, with DfID running the risk of being seen as partisan, non-transparent and unaccountable.

An approach based on shared values means not having to enquire about the details of the recipient organisation's activities but rather having a trust based relationship, being interested in the effects – as judged by those for whom the programme is intended, rather than by the donor. In one of the rare studies of how official aid agency staff reflect on their practice, Peter Tamas found his respondents preferred to remain ignorant about the details of how recipients implemented the projects they were funding, because of the contradictions they would discover between messy reality and how the log frame represented things.



Certainly, in my own case, I often knew more than I was prepared to acknowledge even to myself, let alone to include in formal reports.

An aid practitioner with a relational approach to her job recounted to me with horror what happened when the audit of an NGO project her organisation was co-financing with another official donor discovered that the NGO director had used project funds to pay for his wife's air ticket to accompany him on a business trip to Europe. Both donor organisations held the NGO in very high esteem for its effective work with very poor communities and if she had had her way, she would have conveniently forgotten the auditor's discovery. However, her organisational counterpart in the other donor organisation decided that corruption was never ever permissible in whatever circumstances and stopped project funding, obliging the other donor also to stop funding the project. This last illustrates the tension between the practitioners who can get away with relational behaviour provided no one blows the whistle and those that believe they have to implement the official discourse even to the detriment of achieving results.

While some of the relational practices I have described are more or less 'in the open', others such as trust based relationships tend not to be talked about other than in safe spaces of reflective workshops. Because what gets reported up the system may be very different from what the front-line aid practitioner may have known to be the case, there are crises of confidence and contradictory behaviour among front-line workers as they struggle with the dissonance between what they do and what they report that they do.

Conclusion

Taking as my starting point current orthodoxies of results-based management, this article has discussed the long duration of the substantialist 'philosophical plumbing' of international aid and the ambivalent, if not subversive, relational response of some aid practitioners. Their response reflects an alternative mode of thought, largely invisible in official discourse, but with a potentially significant influence on institutional viability and the capacity of aid interventions to support progressive social change. However, because these relational practices are often mis-represented up the management chain to conform to the official representation of how aid works, their positive effects may be falsely attributed to the successful implementation of the substantialist orthodoxy. Thus, hidden relational practices may be sustaining the very norms that such practices are subverting.

There is a parallel here to how the Soviet Union was able to report that collectivised agriculture was an effective means for sustaining agricultural productivity. In practice, the farm workers put their energies not in the collective farm but in their own small holdings, and pilfered collective-farm resources to invest in them; this led to sufficient food being produced for the authorities to be able to demonstrate that the overall system was working. In his book *Seeing Like a State*, James Scott argues that without their realising it, the farm workers' subversion was maintaining the very system that they were resisting. As in the case of the collective farm workers, subversive front-line aid practitioners may be unintentionally propping up orthodoxy whose failures would otherwise be too self-evident.

What would happen if top managers and politicians were to recognize the value of relational ways of thinking and doing and adopt these whole heartedly? Just as *glasnost* brought about the fall of the Soviet Union, so an admission of what is really



happening might result in the collapse of international aid. On the other hand, a real clamp-down on relational practices would probably lead to systemic collapse of the institution. Practitioners need just sufficient encouragement to continue subverting the system for the system's benefit. I am one of those who offer such encouragement with support from the institution I am critiquing. After all, I get invited to speak at donor-funded conferences and donor staff get the resources to come to my workshops. This is my dilemma; my relational advocacy may be helping sustain the substantialist plumbing!

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Saving in translation

A conversation between a southern NGO Director and a northern NGO Programme Manager

JOE BLOGGS

North

PATIENCE NYATHI

South

The following is a (very lightly) edited transcript of a conversation between two key players in the development aid chain. It offers a transparent, sometimes startling picture of the dangers navigated in their relationship, of the continuous work involved in protecting the essence of the work being done, and an affirmation of the crucial importance of trust in the process of delivering aid. It also highlights the difficulties involved in seeking financial assistance for support of one set of aims and values from institutions that work out of another and shows how 'lack' of capacity all too often, and ironically, originates right at the 'top' of the aid chain.

We share this conversation here in anonymous format, partly not to compromise those who shared it with us, but also as illustration of how common this situation is. All over the world, where there are good relationships between recipient partners and intermediary NGOs, there are conversations like this happening, all the time.

It begs the question – if this is the reality, if development, sustenance of effective civil society organisation, and worthy north-south partnership is happening despite standard operating procedure and, all too often, despite official policy, then what does it ask of all of us who participate in this charade?

*“Protecting, till the danger past, with human love”
(Yeats)*



Patience Nyathi (Southern NGO Director): From *our organisation* we see our funding relationship with *your country* as part of a triad if you like, where we deal directly with you and only peripherally with *your government development institution*. We are very grateful for this. In the development world, we have been working for sixteen years, and we still need an interpreter between us and the donor. This is the role that *the NNGO* plays for us.

It is really important to frame one's activities in a way that donors will be interested in them, and report back on them in a way that does not always bear a relationship to what is happening on the ground. What I mean by that, is, this expectation to report on outcomes every six months; when you are trying to transform lives (!) – you don't do it in six months – when you are dealing with gender, violence, healing – these are not something a community can do in measurable bites, every six months...

Joe Bloggs (Northern NGO Manager): ...And then we become that buffer, and translate that in order to give the results. We get the raw material, put the bows and ribbons on and then send it off to *our government's development institution*. It is frustrating because they don't always understand the programme on the ground, don't know the complexity of the situation, don't have time to really understand.

Patience: Something else which is coming home again on this trip to *your country* is that we in *our country* think that we are operating in an impossible political environment, yet we are still able to be a stable organisation with stable aims, working through different routes, but in a constant direction – we know what vision we are trying to get to – our exact route to our goals change, it is not linear, but has a clear direction at least.

What frustrates me is that working with an apparently stable country like *yours* is, we find ourselves subject to the political vagaries of your government.... In 2007, your Foreign Minister had to wait six months to be told what the policy was before we could sign-off on a proposal – which had been ten minutes away from being signed, and then there was an election.... and now, in 2010, with yet another new Minister, nobody is clear on what this Minister is willing to sign-up to. People at *your government's development institution* are supportive of our project, but it is ultimately up to the Minister. And now you point out that there could be another election early next year anyway – this could lead to a further year with no funding, while a new Minister comes up with a new policy...! That kind of stuns me, coming from a country like ours, where we have all of this chaos, yet we have maintained a constant programme on the ground...

Joe: We get our credibility from organisations like yours.... but *our government's development institution* asks where our added-value is? They question why they can't have a direct relationship with an organisation like yours, even while the evaluation clearly highlighted the importance of our relationship. [With the evaluation], they look at it and they don't look at it. No matter how good the evaluation is, no matter how good the programme is. Even when we jump through all the hoops and give them the demonstrated quantitative and qualitative results they want (which are not always what is happening on the ground) we run into this political dynamic that you are talking about. We are dealing with a Minister now who is very divorced from what is going on on the ground and playing into the whole political dynamic of *our country's* politic right now. It's not only confusing, but it is unpredictable.



Patience: Adding to the major 'unknowns' we are dealing with.

Joe: You and I have talked about how, if we put in a proposal in a few months and there is an election called, will that be a good thing because we may have a new government, a change of Ministers, an opportunity to re-educate them...or is it better to work with this government?

But again, we are talking about a year's delay which to me is the most frustrating thing because when you are talking to *our government's development institution*, it is not about good work. Everyone agrees that the work you are doing on the ground is fantastic and all results are being met. But we are still running into "maybe this because of this..."

Patience: What is clear to me is that without an organisation like yours intervening we would have no chance whatsoever. Without a partner like you to understand all of these things, it would be impossible. Which makes me wonder how many projects fail simply because they don't know how to do the donor-speak and they can't understand the political intricacies of the nation where they are trying to raise the money?

Joe: In this conservative environment there is much mistrust about civil society. And they seriously do not trust a lot of actors that take quite a political stand, that take the importance of advocacy both in *your country*, and our own advocacy with *our government* as a whole. There is serious level of discomfort with this. We are a double-edged sword...the key thing that we have to have is an understanding of how the development business in *our country* works, and how to secure funding for very good work on the ground.

Patience: The other thing is we are in *your country* only once every three years. You offer someone some understanding of the situation in *our country*, on the ground, and continue to feed that back to *your government's development institution*. It is kind of frustrating – we think we have a lack of clarity of what our government wants, but assume that governments in the North

Joe: ... some of it comes down to the development funding treadmill – in *your country*, one of the biggest things is humanitarian issues, but then, even three year funding is near impossible to secure.

Patience: We know now that a large part of our time in 2011 will be spent trying to raise money for the next three years – maybe nine months of the coming year will be taken up with funding proposals, meeting with donors, emailing – again because of the world recession, this is a reality – maybe we will get a bit less money from other donors – maybe there will be a year gap from *your government's development institution* and we may need to bring on another core donor. This means that there is research on the ground, productive work on the ground, that I am not doing. I will be distracted by the issue of funding instead of doing the real work.

Joe: And you talk about the work around transformation...we have all talked about thisthe only place we have got that is in *one of your neighboring countries* – for six years – and how liberating that is. Even the discussions we are having now are frustrating, because three years is such a short period of time, let alone one year or 6 months.



Patience: The other problem for us is how different governments come and go, and their priorities shift...while our particular end goals do not. The way we frame our project has to suit what is on top of the list of what will be funded this year – whether it is gender, child rights.....all of it is donor-speak. We end up defining the same project in different terms to different donors, even if it is the same project on the ground. It is an absolute knack, and a hugely time consuming one.

Joe: Also, with the continual staff-turnover at our *government's development institution* or the Department of Foreign Affairs, there is no long-term commitment on staff. There are a *few individuals who stay longer*, who are so valuable.....otherwise they are just up to speed on what you do, what we do, the added value, and then they go. For us this is also time-consuming and takes away from doing the actual work.

Patience: It is very difficult sometimes to keep track of the 'flavour of the month' in terms of reporting, as well. Also *your government's development institution* requires a different reporting framework than *another in another country*. It becomes a huge thumb suck in terms of what to report – we will see these transformational leaps over time, but not every six months, more like six years. And a lot of reporting is counting – for example, how many people attended? How many flyers? This is fine, but again, time consuming. And this demand for outcomes all of the time, which can be highly problematic in a programme with a very long-term agenda of transforming the way societies behave; especially in a political situation as problematic as in *our country's*.

Joe: If you look at the evaluation, it is very clear. There are different understandings of what an indicator is, what an outcome is. You go to *our government's development institution* and they have changed yet again

– if you talk to ten of their officers you will get ten different interpretations of what that means. It is problematic, trying to translate that to you, and then trying to translate it into their speak as there are also various levels on their side. I may interpret them a certain way, you may interpret them a certain way, the ongoing capacity building of government officers is time consuming and not always successful. Sometimes they may never 'get it' or if they do understand they move on to another part of the government, never properly briefing their successor.

Patience: One can understand the need for it – it is taxpayers' money – we know that. There has to be some kind of accountability, I completely accept that. There is also NO easy way to do that, so it is a conundrum – not a debate that will be easily solved or dealt with. But one does lament the amount of time that has to go into that, it is an absolute art-form that takes an enormous amount of time. Each government has their own speak; and then you have the major fundraising coming up....so probably a huge amount of each year is used trying to keep the donor happy and also trying to convey something truthful about what is happening on the ground. The team and I know what we are doing and achieving, but I feel my heart sink when I have to literally scrape the life out of incredible continuing narratives of the lives of fascinating communities and individuals, who have survived varyingly well in the face of waves of hardships – and stuff something into little boxes to keep the donors happy.

Joe: We are dealing with different levels: There are three different branches of our government's development institution. All three are different, and never the three shall talk....and then we also work with other members of our NNGO....and this complicates it more. So I figure at any one time, I am spending as much time as you do in doing that



translation and trying to 'read the tea leaves' to try and figure out where we can insert certain partners' work, finding where does that fit?

Patience: One could argue that *your government's development institution* money has taken three entire physical weeks in the last few months – an evaluation, then the week working with evaluation outcomes, then the week here. And that is just for a start. Not even looking at the time that has had to go into writing reports, or preparing for the evaluation and follow up, the time to reflect on the evaluation. Some of this was time well spent because it was not just for *your government's development institution*; it was for us as well. It is valuable to stop and reflect on what it is we do and how we know if we are achieving anything, as well as to ask what we could most usefully use our resources for in the future. But still, evaluations take up a measurable chunk of every year, and there is a difference between openly and honestly doing an internal evaluation, and surviving an external, donor-driven evaluation where one is obliged to show only the achievements or risk losing the funding.

Joe: This all demonstrates the dysfunctionality of the process and attempting to turn development into a hard science.

Patience and Joe have worked together as funder/recipient in a funding relationship for the past 12 years. They often share insights with each other that have led to fruitful changes or sometimes just a great chance to explain where they are coming from in the development world.

The quest for healing and transformation: *an unfolding and deeply rooted relationship between two countries*

RUBERT VAN BLERK
CDRA, South Africa

UNDINE WHANDE
CSV, South Africa

The scene is Kirstenbosch gardens in Cape Town during late May of this year. The gardens provide a beautiful setting and the weather is good, despite the Cape winter beckoning. In this idyllic environment, two SAGE-Net² researchers, Undine and I have come together for a conversation. The conversation carried with it an intention. We were to engage in exploring (enquiring) into a particular theme that had emerged over the period of the research into the Weltwärts programme in South Africa.

Undine is from Germany and I, a South African, hail from Cape Town. For nearly a year before this meeting, we, along with the other researchers in the team, had many interesting encounters and discussions while conducting the research. Out of the many conversations we have had, a number of themes had emerged, one of which had strongly resonated with several of the team members. One theme was the relationship between Germany and South Africa. We had a sense that Weltwärts might be more than an arbitrary intervention (purely by chance) of the German government, but rather an aspect of a broader and profound connection between the two countries. Yes it is true that Weltwärts sends volunteers to many more countries than South Africa, but for our purpose we limit the conversation to these



two countries. Can we see (or imagine) Weltwärts as a chapter, or part of a chapter, in an unfolding story of two nations, is the challenge we took into our conversation. Through the exchange we would look at our shared history, particularly over the last century, but then focus primarily on our experiences of the Weltwärts programme, seeing what we can learn from them, and hopefully developing some insight that may support the growing sense we had about a more fundamental relationship. A relationship that may hold something valuable for the future, and relevant to particular challenges being faced by both countries.

Very quickly we were struck by a number of remarkable parallels in our history. In 1871 the German nation was founded some time after Afrikaner self determination had peaked with the establishment of the Boer Republics in South Africa. Germany quickly joined the colonial race and hosted the Berlin Conference in 1884, where European nations allocated to themselves the spoils of Africa. Afrikaner and German nationalism were defining forces in both South African and European history. The Anglo Boer war at the turn of the 19th century further developed a shared enmity towards the British, a significant competitor of the Germans in the race for Africa. In 1913 the Land Act was promulgated, signifying an unprecedented land grab within the South African colony itself, laying the foundation of white and particularly Afrikaner ascendancy in this country. Through both world wars, there was strong identification with Germany among that element of South African society. Racial science, the politically motivated study of racial differences to prove a hierarchy of relative superiority and inferiority between peoples, laid the theoretical foundation for both Nazism and Apartheid. Two latter prime ministers of South Africa, viz. Verwoerd and Vorster, were both imprisoned during WW II for being Nazi sympathisers. Another interesting parallel is how the countries moved beyond their nationalist, racist pasts. So for Germany, post Nuremberg there was the

almost obsessive focus on the pursuit of economic power and for South Africa, post TRC it is quite similar, although in the latter case the benefits are skewed towards those having access to political influence. One remembers, despite international sanctions, the Germans did not disinvest from South Africa during Apartheid. While economic development is important as both countries faced significant challenges of reconstruction, the focus on economics was also a diversion, providing a kind of anaesthetic and shield from dealing with unresolved and simmering psycho-emotional legacies and identity issues. These are then inevitably delegated to future generations – fostering a kind of collective amnesia for periods of time. Both countries have a nationalist history that has taken them on a destructive route of institutionalised racism, facism and war, with deep wounds that still fester in the depths of the collective psyche.

For now this is enough history. Between the two conversationists the point was made that there is enough evidence that our collective destinies are intertwined and have been so for a considerable while. So now we ask the question: what are these seemingly unconscious drivers that are moving us forward and simultaneously drawing us together, and where has it taken us in the present moment? Taking forth our contention that Weltwärts can be seen as an aspect of the unfolding relationship between the two countries, then what clues can we gather out of our experiences that will shed further light and deepen our understanding of the situation?

It's October 2009, and I'm on a field visit to a Cape Town township quite close to where this conference is taking place. Despite the beautiful surroundings, it is a community suffering the extremes of poverty with the added blight of high levels of HIV and child abuse. I'm walking through the township with two young German volunteers. They are on their way to help out at a soup kitchen which cooks daily meals for HIV positive people in the community. Along the way there were many exchanges happening



between them and people going about their business in the street. The greeting and light conversations were warm and pleasant. As a South African, I was observing something quite extraordinary and remarkable. I wondered, if this were two white South Africans walking here and exchanging pleasantries so comfortably, how different our society would be. If only this could be normal, I mused. It made me feel inspired and hopeful as a South African.

The story continues. I'm sitting inside a house chatting to the woman who runs the soup kitchen. The house is an informal dwelling, small and neat. On the other side of the room, the two volunteers are standing behind two large pots, cooking a meal. One comes over and respectfully asks the woman which spices need to be added. She politely gives him the required direction. I hear that the food coming from that kitchen is quite popular and that there are many light hearted exchanges between the recipients over the idea of whites standing behind the cooking pots of black people. For the volunteers this does not feel like servitude. They have learnt so much about the people and life in the township, and the township folk are also very curious about them, why they do this work and what life is like in Germany.

There are many more stories of encounters between black South Africans and white German youth. Not all experiences are positive, but they represent a possibility of engagement and experimentation that even a South Africa seventeen years since the advent of democracy, is not yet able to provide sufficiently for all its people. Here the meeting between races is happening not in the schools, or in the work setting, but in the township and on black people's terms.

The conversation follows a thread. My colleague speaks of a project in another part of South Africa where the volunteers experienced resistance, even sabotage, in response to a number of initiatives they had planned. Always there would be some kind of obstacle or excuse that would serve to immobilise the idea. The ideas came with energy and exuberance, given rather than offered along with the famous

German 'knowingness', but ultimately being met with passive resistance. There was frustration, the relationship between volunteers and partner organisation was not growing and no one was learning. A later interview with the coordinator reveals another perspective. Yes, the volunteers do wonderful work, but can come across as very pushy and forceful. Then something else gets revealed. The coordinator spontaneously recounts a personal story out of the state of emergency. A youth being pursued by soldiers and police ran through his house, and escaped through the backyard. He recounts the experience of the white soldier coming in and demanding that he reveal the whereabouts of the youth. The soldier held a rifle to his face. This still sits with him today.

Our conversation in the gardens spikes a bit at this moment. We wondered about the connections between the different accounts and what had been evoked through the telling. Was there a moment here where the volunteers were just being seen as white, not even German, and not even young? Was there a moment where inadvertently they behaved simply as 'whites' in the sense of apartheid memories? There is a blindness to something here that is important to both the volunteer and the South African partner. This is also an experience of how power works within these relationships and an opportunity for some learning to happen, but it will take a lot of support and courage.

Undine recounts another story that had so much resonance for her. Here the volunteer is working at a children's home. Part of her responsibilities is to supervise homework programmes for the children. She had come to notice an older boy who appeared to be reading at first, but was in fact only mimicking. After the session the volunteer approached him privately. She told him what she had observed, that she would not tell anyone, and offered to spend dedicated time with him to teach him how to read. It was for him to decide to take the offer or not. A few weeks later the boy approached her and they started working together. Near the end of her volunteer year he was



able to read without any help. However, there could be no applause or standing ovations here, because it had to remain a secret.

Hearing this makes the heart flutter a bit. It's almost like in this small instance of success, that can't be credited, there is a whole universe of possibility. It's an example of a real contract, between volunteer and partner; Germany and South Africa; perhaps even north and south in which both parties have responsibilities. I remember one of the volunteers I was following through the research process. For months she had been agonising about the need for her experience over here to be meaningful. What was significant is that for her experience to be meaningful, it had to be meaningful for those she encountered in the project as well. Now one could perhaps just see this as another case of unrealistic expectations. How on earth can this happen? It can. It happens when human relationships can change in small and magical ways. Weltwärts may be working at its best when nothing can be claimed on its behalf.

Our walk through the gardens had been long, but it feels like just a moment had passed as we had been deeply engrossed. We approach the main gate and our conversation moves to a form of conclusion, for now. The conversation had followed a distinct pattern. At the beginning we had stood back, quite far from the volunteers, the projects and Weltwärts, to looking at Germany and South Africa through a historical perspective. Then we focussed in again looking at the parts which were discrete experiences and accounts of the volunteer/project interface. Could we see something in these parts that may suggest something about the whole? Would this reveal something more about our contention right at the beginning that in the quest for healing and transformation, Weltwärts may just be another element in an ever unfolding path that keeps connecting us with each other?

Or, is Weltwärts just another element of an ongoing conspiracy of the north continuing to extract from the south? We will send our

youth who are unemployed, but have much potential to the south to gain maturity, to be initiated into adulthood as our own initiation rituals are lost. In so doing we will be creating a generation of Germans who are networked and experienced in the third world, therefore keeping our edge in an increasingly globalised competition for natural resources and markets. Conversely, Undine responds by saying that she thinks that these 4th generation (since WW II) volunteers are different because they are coming here with a purpose question in mind. It's about making meaning. She remembers that part of her generation of Germans, coming of age in the 1980s, who appeared to be mainly concerned about making money and enjoying the fast lane of life.

If this is true, then there indeed is an opportunity for us South Africans. The Germans have entrusted us with their youth for an entire year. We have the prospect of contributing to their moulding and maturation. How can we become very strategic in ensuring that the volunteers go back with a different message? The different message is to see the connections between the wealth, power and dominance of the north and the abject poverty of the south and for them to become advocates back home, to develop solidarity with the south that transforms Germany. But in order to do this we have to become more open to ourselves and to see how we often collude. By acting as mere recipients of German generosity we are diminishing our own power.

Continuing with the thread of making meaning, I ask what we are receiving German volunteers for. Is it merely about the labour they bring to sustain our social development organisations? What is our purpose for hosting them? Can it become more than just neo-colonial extraction and maintaining the status quo, or rather transformative in its essence? So our experiences in the research may be suggesting real possibility. Is this another avenue available to heal some of the harms of race thinking, about dealing with the reality of diversity?



And can this serve to engage with the larger questions around race and economics that are so stark in South Africa but also dominate global relations?

This forms a big part of our shared history. It is the work of Germany and the work of South Africa, in fact of the world. Germany still being mainstream white society with strong multiple identities emerging, and South Africa as a majority black society that has granted legitimate belonging to people of various colours, and yet retains the dominance of white capital coalescing with a tiny black elite.

It feels like we have reached a good place in the road. We pass through the gate, smile and greet each other, still feeling the glow of the conversation and a resolve to continue with it some time in the future.

05 November 2010

- 1 Weltwärts is a program of the Federal Ministry for Economic Cooperation and Development (BMZ). Since 2008 the program has financed one-year voluntary service assignments for young adults aged between 18 and 28 in a variety of non-European countries that are recipients of Ministry support. Weltwärts, whose motto is 'learning through active involvement', provides volunteers with the opportunity to learn, as well as providing the respective host countries with a support service. Alongside financial support, the program provides a mandatory comprehensive educational program to prepare, provide an interim analysis and review experience for the volunteers. Several thousand volunteers are selected each year, trained and assigned to more than 230 organisations. The sending organisations identify and organise assignments in cooperation with local partner organisations and the contacts to the operation sites (see www.weltwaerts.de).
- 2 SAGE Net aims to establish long-lasting relations and exchanges based on a dialogue between South Africa and Germany. It envisages creating stable and flexible partnerships between organisations and individuals within a coordinated network. This is designed to enable intercultural learning, personal growth and professional exchanges. The members of the network achieve their goals through projects in the fields of education, youth, tourism, social affairs, health, conflict resolution, science and culture (Gräber, D., Pakleppa, Claus-Bernhard Vogel, D. (2007).

Current realities in South Africa

A questionnaire and responses

So how is it for others? And how do we access the voices of those who tend to be too busy to write, or uncertain, or distracted? We thought we would try a brief survey and then add all the responses together – perhaps discover a very small, qualitative aggregate while hearing how it is for those engaging with donors and questions of financial sustainability on a daily basis. It makes for very interesting reading:

QUESTION 1. To what extent has the current recession impacted on your operations, e.g. have you been forced to reprioritise; have you had to cut budgets, and if so, by how much or what percentage; have you had to consider retrenchments of staff, or other measures?

Yes, our organisation has felt the impact of the current recession in a number of ways:

The exchange rate, because some of our donors require us to stipulate our requests in their country currency. We have suffered losses on our projected income as a result of receiving funding in foreign currency.

Two of our core funders have terminated their support because of a shift in their strategic focus, one of which includes prioritising other African countries which are poorer than South Africa.

We are fortunate enough to have an endowment, but interest income on this has also decreased due to lower interest rates. Dividends received have also been considerably lower than in previous years.

All of the above has contributed to us ending 2010 with a deficit budget. To remedy this we have had to effect savings and cut our expense budget considerably which impacted on some of our planned programmes. Fortunately we overachieved in the previous quarter and are still able to meet partner agreements. We have had to request our Trust to allow us to borrow (R1,8m) from our endowment income. Fortunately we had no need to consider retrenchment as an option to weather the storm for 2010.



Some donors have actually reduced their availability, but tried to compensate with extra support and efforts on reflection on how to get sustainability otherwise. (e.g. in particular an American foundation). However, we were lucky enough to have started a dialogue with new donors before the worst moment of the crisis, so even if the latter were as hit as the former, in general the flow of resources overall increased instead of reducing.

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We have not had to make any specific change as a result of the recession. Most of our current funding agreements were finalised before the recession began to bite in Europe. We are now nearly two-thirds of the way through a three-year cycle and we don't yet know if our usual funders will reduce or decline funding for 2012–2014. More generally, we are thinking more and more of ways to economise and be more efficient and to engender a culture of not being wasteful. We are also having to look at salaries and staff numbers, not with a view to cutting now, but just to think about what we might have to do if we do find it difficult to secure funding for the next cycle.

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Stressful, is an under statement! We have put a monitoring process on the cash-flow; we had to cut the budget and only focus on the funded activities; we did not appoint new staff even in key strategic areas, which meant an over burden of other staff; in some instances when staff resigned we did not fill in the positions; yes we are considering retrenching some staff and we are monitoring closely staff that are close to retirement so as to fast forward that; we are already tapping into our little reserves, forced to be extremely competitive etc.

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We have had to merge job roles and some planned new positions were not able to take place. We have had to prioritise projects which were essential and scale back some projects which were less pressing.

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My sense is that the funding crisis that originated in the mid 1990s has continued unabated. The current recession has only exacerbated an already crisis situation. This has been worsened by a move by government away from social expenditure to projects for the elite such as the World Cup, Gautrain, etc. The exiting of European donors from

Question 1

SA due to rightwing political tendencies gaining ascendancy in their countries creates a bleak future for the non-profit sector.

Whereas the rate of attrition in the mid 1990s only affected your survivalist NGOs, today we have the medium sized and highly professional NGOs with a national footprint also being affected.

My experience is that at the survivalist level organisations are closing down or staff being retrenched, taking reductions in pay/stipends or some staff reverting to volunteer status. Organisations dealing with HIV/Aids and issues such as drug abuse and rehabilitation (and general health issues) are under less pressure. But this depends on their size and scope of work.

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There is no doubt that the current economic recession in America and Europe has affected many developing countries. As an organization that relies to some degree on financial assistance from outside, the effects of the recession have had a domino effect on the future survival of our programmes.

The funders that have supported our work indicated that there is a need to reduce some of the objectives we had proposed. They indicate very strong a need for organizations to network and to cut repetitions. They are more willing for instance to fund local joint partnerships than to continue funding individual institutions.

We were affected by cutting of budgets by senior department officials. The department that funds us, has had its funds in turn cut by Treasury. We have had to retrench 50% of our staff members and reprioritize our activities.

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I am independent and therefore the questions don't really apply to me as I do not employ any staff. Many independent people have simply gone back into full-time employment.

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The recession was probably the main cause of our organisation having to face closure after a year of no significant new funding being accessed during 2009. For an organisation that has been operating since the early 1980s that was a major blow. This led to emergency re-structuring and retrenchments (including the Director). Our staff of 12 was reduced to 8. Fortunately, however, we have managed to recover and survive this very difficult period and are working towards stability once again.

Question 1



We decided in 2008 to trim our team of staff (2 retrenchments and 2 positions left vacant) as funding had started to reduce then – particularly funding from local sources such as the Lottery. When the current crisis hit we were small enough not to be affected by it. Our budget is about 25% smaller.

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We have been fortunate until now to not have our budgets cut. We had/ have committed multi-year funding until 2011. However we had one funder withdrawing from SA as SA is not regarded as priority for funding (Broederlijk Delen). We, however, proactively implemented cost cutting measures, prioritising and reducing and working differently on some projects. For now this is the scenario – the period beyond 2013 is our concern. The recession might not be the issue then but rather the political view of SA as an “emerging economy/country” and the effects of the Paris Declaration on Aid Effectiveness.

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Certainly the current crisis is having and has had an impact on our work. A number of our donor partners have decided to leave South Africa. Examples are Oxfam Solidarity and NOVIB, whilst other members of the Oxfam cluster have merged their operations.

Two other European donors told us that their own situation was also dire in that they received much less public funds. They argue that South Africa is a middle-income country and therefore no longer a priority. In addition to donors leaving South Africa, the currency fluctuation has also had a negative impact.

We have had to re-prioritise, freeze posts and “work harder” by doubling up on tasks. Generally we are cutting back on our equipment (computers and vehicles) and office maintenance. At this point we have a budget shortfall and will have to take this to our trustees for resolution but it may mean no bonuses.

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No to all the above. Three corporate CSI donors have reduced their grants but other funds have been sourced to compensate for these gaps. The CSI donors who had to cut their grants have maintained their relationship with us, kept communication going and kept us informed.

Question 1



Question 2

QUESTION 2. Do you have particular creative responses and survival strategies for dealing with the issues facing the sector? If so, please tell us more about them.

While planning is the basis for our aspirational expense budget we tend to develop a more pragmatic budget based on previous cost with CIP and inflation linked increases while identifying the most strategic spend we need to make.

Finance is centralised and Admin staff are encouraged to bargain with suppliers and to effect savings against an expense budget.

Partnership applications – seen to be in vogue these days, these however can be costly to manage although they can lever money.

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Given the nature of our work, if the funding available is less, we shift the focus from the small capital, seed-funding that some pilot projects need to purely broker and facilitator function. Also the number of community surveys that we can launch will be reduced without huge impact on the overall strategy. The number of participants in our activities is usually variable and to save money without compromising the results we can reduce the numbers from distant provinces (who would learn or support by sharing their own experiences) or just the volunteers we have to cater for in each activity.

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We have two responses, which may or may not be creative. Firstly, to work more closely with funders when it comes to identifying areas of activity and in co-operating with their other funding partners.

Three years ago we identified six ‘project areas’ to guide our research work, and this was done with some input from our funders. This allowed us to ‘dovetail’ to some extent the areas of policy and legislation that we work on with the areas of interest of our funders. We have also made a point of keeping in touch with other local organisations who have the same donors as us. We invite them to our roundtables and other events, send them our publications, and alert them to policy and legislative issues that might interest them. This kind of co-operation reduces the chances of duplication and makes for a more

efficient use of the donors' money. Clearly, if a donor has to reduce its number of dependent organisations, it is more likely to retain ties with those whom it sees as most efficient and cost-effective.

Secondly, we are trying to position ourselves to some extent as a service provider. Many of our funders are committed to efforts to deepen civil society's participation in democratic institutions in Africa, especially parliaments. This is our particular area of experience and (some) expertise. We have therefore put together a training programme for people from other African countries which has proved quite successful over the last 3 years. We are now planning to offer it to local organisations as well. In this way we hope to be seen not just as a 'consumer' of funds, but as a provider of the kind of services our funders want.

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Direct mail is what we have been doing for years but even that has dropped. However, if organisations are not in that business it's already too late, we had to constantly review our strategies and ensure alignment with current thematic areas of funders, but not change for the sake of funding. We visited funders and discussed their policies especially with regards to future funding for S.A and asked the question "how can we assist them in understanding the context?" This forces them into a dialogue. We have encouraged more visits from back donors, which seem to be working. Locally we were calling the Lotto weekly, tracking the process i.e. once we were notified that our funding was approved. The same for DSD (Department of Social Development). We are running our own internal process such as reviews, and learning spaces. We bring and share our programmes that have such funding support with others, we looked for integrated ways of funding or joint proposals, monthly updates, cash flow projections for trouble shooting, weekly meetings to monitor cash flow, nurture and build strong relationships with those that are still supporting our work, meet the deadlines and bank on past and present credibility, be human and honest, sometimes push and be direct, etc.

Question 2

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We have been forced to be creative around our options for income generation. As a result of the massive reduction in available grant funding we are looking at ways we can become a social enterprise and market our services to reduce our dependency on grants. We are, for example, exploring government service contracts and contracts with the private sector for housing programmes, research, participation and facilitation of community projects among other services.

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My experience is that NGOs are beginning to learn to work together, forming consortiums and looking for opportunities to network. There is also an increasing use of volunteer labour and the forging of strategic partnerships.

The downside has been less investment (in the form of time and money) in processes of learning as this is being viewed more and more as a luxury.

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Joint partnerships amongst organizations and write proposals to this effect;

- Devise strategies to encourage local funding;
- Putting a minimum fee on publications produced so as to recoup some of the incurred expenses;
- Promoting the idea of providing for minimum tax for NGO work in our continent as some of the challenges are huge and cannot be tackled by government alone.

Not sure if this is helpful, but I was a panellist for DFID-SA and had to assist a very small NGO to 'wean themselves from DFID funding over a 2.5 year period'(pre-credit crunch days)

Part of what emerged over that period is (i) the NGO felt that government should take over the project (ii) NGO staff started to morph into coaches and mentors and (iii) moved from role of (funded) facilitator to (paid) resource and (iv) when government advertised jobs,

Question 2

many of the NGO people moved into those positions, others moved on and others became independent.

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Funding is the single most important factor threatening the survival of this sector. With reduced funding available, organisations are competing for funds and the supportive camaraderie of many organisations over many years as well as the sharing of experiences, etc. have been reduced to only formal communications amongst organisations in the sector. The state's tender system has exacerbated the situation.

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We plan to continue keeping our core team small and our overheads low. We have gathered a team of associates who carry out work for us as and when it is funded. We also have had to, at times, prioritise running training programmes and OD sessions where a fee can be charged. We believe that the key to sustainability is to meet the needs of the target group in a professional manner, staying as cost effective and relevant as possible. In the current climate there is less time and money available for reflection – small organisations need hard core skills to survive. We've also discovered that small is indeed beautiful, with fewer HR problems and the flexibility to take quick, all inclusive decisions.

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Hard work! Not so creative? We have to think about and actively seek and build relationships for financial resources almost every working day. Having a niche product and producing evidence of impact build a relationship and trust between donors and ourselves. Be clear about what you do. Regular, honest communication. Engage with and respond to donors.

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Question 2



Besides some of the internal measures noted above, we explore tenders/ contracts to build our reserves (bearing the limits as a Section 21 Not for Profit Company) BUT it should advance, enhance and further our focus/ strategies – not a means of just generating money! We fulfil a conduit / project management role as we have built a track record in sound financial management practices. We try to stay abreast of developments in the sector and ensure that our strategies are relevant, people driven and forward thinking. We explore new opportunities that have not been explored by others, without fear of failing. Food Sovereignty and Agro-ecology are global priorities and we have been exploring these for the last few years with communities and sharing with partners and role-players.

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We have developed several strategies that we think all organisations in the sector should consider: first – how can we develop partnership and joint projects with others (we have recently developed a common research project in the land sector). Then we also organise joint seminars/ conferences with partners. This also allows us to work together and share costs. We are now exploring the idea of pooling our resources to produce a common community newsletter and joint publishing projects. Again we worked with Legal Resource Centre (LRC) to develop a common information manual that can be used for advocacy. We have partnered university units and departments to support our research and policy work – this allows us to draw on capacities without having to hire staff or consultants.

Lastly, we work with local volunteers from the movements we support.

Question 2



Question 3

QUESTION 3. Can you describe the quality of your relationship with your donors in a phrase or metaphor (eg “a ray of sunshine”, “better the devil you know” and so on)?

On the whole our funders are an interesting, committed network enabling our organisation to implement our programmes and we have mutually reciprocal relationships with most.

We have recently started “Tangoing” with the European Union – who knows what toes will be trampled in the next 2 years!

NLDTF (Lotto) – probably the less said the better.

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A bit boasting and ironically I can say that “We help them do a good job” (= to choose the right process). We offer them opportunities to invest their available resources into socially, environmentally and economically sustainable development.

The truth is that up to now donors (except Gates Foundation, which is scrutinizing our proposal at the moment) have decided to fund us based on the personal conviction that we were applying the right philosophy, not based on sound logical frameworks or detailed budgets, etc. We had always felt that we had the right product in our hands.

In the new environment (Paris Declaration and all the focus on “deliverables”, concrete and not soft if possible), the difficulty will be more and more convincing donors to reward learning processes led by community dynamics more than by structured processes, networking more than building houses, etc. However, we are aware that we cannot “empower” (especially for a long time) without seeing concrete impact, so in our strategies we always try to mix “hard delivery” elements and learning/preparation elements.

Finally, another phrase could be that donors are a “necessary nuisance”, or “a bitter medicine with some unpleasant side effects”, but frankly, I think that we have been extremely lucky and bothered very little by donors all over the past 9 years of life.

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Some of our funders are indeed ‘rays of sunshine’; others are very much the ‘devil we know’. There is a continuum of maturity in our relation-

Question 3

ships with funders – some have enough trust and confidence to treat us as ‘adult’ and to see the relationship as a real partnership; but others are still stuck in an outdated and very paternalistic model, where we simply have to comply with their demands, many of which are extremely bureaucratic, and be grateful for ‘their’ money.

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“A cat chasing the mice/ mouse”, “dancing to different music and thus out of sync”, “hearing the music differently”, “hold your dancing partner tightly”.

The bottom line – it’s hectic and stressful and becoming more and more unpredictable. Everything has become about the “bottom line” literally.

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“Old friends who keep in touch regularly”.

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In a general sense: “tell them what they want to hear”.

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LOCAL FUNDER: “Very difficult”. It is very clear that funding of organizations’ projects is associated with their political persuasion. More and more of the organizations that are vocal against government do not receive funding or are having their funding cut.

INTERNATIONAL FUNDERS: “Very encouraging and concerned” about NGO work in our part of the world. They are even prepared to give organizations bridging funds in those circumstances where they need to pull out of a country.

Many NGOs do their work and are often not remunerated. One hears of reports about government departments that send unspent money back to Treasury every year. By building partnerships with NGOs and CBOs, government would be in a better position to make real impact on the lives of ordinary South Africans.

• • •

I have over the years been forced to confront the contradictions of donor funding and my/our own complicity in enabling the unjust world framework to continue – because we clean up the mess. Could this ‘crisis’ perhaps be what us idealists need to stop with palliatives and force curatives?



Question 3

One metaphor to describe such variety in relationships with funders is almost impossible. (I can't think of a metaphor with such a wide scope!)

We have built up a set of funders amongst whom some particularly like us and are very appreciative of our work, to funders that trust us and prefer to leave us alone and not encourage contact, to funders that apply pressure on us to do what they feel we should be doing, to funders that do not fully understand what we do. In general one can say that those who do fund us feel they would like to stick with us for a few years and those aren't necessarily the biggest ones.

• • •

A mixed bag: The Lottery crowd look like they are finally learning how to organise the piss up in the brewery, but we're still waiting for the 2010 ad (the advert calling for applications for funding). Our core German funders are too good to be true.....

• • •

Hard won. Built on sound base, developed over time.

Engaging, open, challenging. We debate and threaten to terminate contracts for example if the requirements are too 'undevelopmental' eg. too little emphasis on qualitative results. The balance is critical. We do not adapt to fit their focus / priorities. We rather lose the funding. We have long standing relationships with some. New partners are approaching us – we are very humbled by that but also cautious at the same time!

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This is more difficult because some donors are indeed our partners whilst in a good many cases it is rather difficult and challenging. There have been many changes in the donor-NGO relations in the past decade and it appears to be getting difficult. Many are also fighting for their own survival and have become implementers in the global South and for others there is a greater pressure to align with less developmental and empowering objectives.

Reflections on CSI

KHANYISA BALFOUR (WITH SHAMILLAH WILSON)

South Africa

Introduction

While many South Africans remain in the grip of profound poverty, business confidence in the country continues to grow, underscoring the belief that democracy has indeed been good for business. The future success and health of any business is a strong driver for corporate investment in the social stratosphere to ensure that the business becomes a key actor in addressing economic and social inequality. In recent years, Corporate Social Responsibility (CSR) has been noted as one of the indicators of a business good governance record. As a concept, CSR is seen to frequently overlap with similar approaches such as corporate sustainability, corporate sustainable development, corporate responsibility, and corporate citizenship. While CSR does not have a universal definition, many see it as the private sector's way of integrating the economic, social, and environmental imperatives of their activities. As such, CSR closely resembles the business' pursuit of sustainability agenda. The introduction of Corporate Social Investment (CSI), though, was seen as a means to cement the efforts that companies undertook in the realm of CSR. While CSR might be viewed by many in the light of compliance to legislation, CSI provided the key for companies to move away from a purely philanthropic approach to an approach with strategic importance in achieving business goals.

CSI as a platform therefore provided a vehicle for connecting communities, and building stronger partnerships between the public, private and NPO sectors in reaching these individuals more effectively.



At least that is the ideal. Certainly, if we go according to past figures that suggest that in 2008, companies spent R4.2 billion for social programmes in South Africa, we are left with no doubt that corporate South Africa has played a significant role in assisting socio-economic development over the years. The question to ask, though, is what this investment has really meant in the transformation of South Africa. This article reflects on some of the key issues surrounding the area of Corporate Social Investment from a corporate perspective.

A common understanding of the problem

A starting point for understanding the work of corporates in the social environment is the language we use and the broader understanding of what social transformation is, and why we need it? An exercise such as this would involve a mapping of *all* actors and the development of a common vision, agenda and resulting strategies that would inform the priorities, the different areas for investment and a diverse range of actions to initiate the transformation needed. Sounds easy? Well in theory perhaps, but the reality of what is happening in the actual terrain raises a lot of questions about the drive for corporate social investment.

Firstly, if we were to get an accurate assessment of the investments in the past 16 years (which easily comes to billions) by the whole range of actors (corporate, government, civil society), we would not be erring for thinking that we could be close to meeting the millennium development goals. Yet, currently, with the lack of a common agenda and vision, and lack of means to monitor and report collectively on this area, it is difficult to get a big picture perspective as opposed to what is reported by individual companies.

The view of the terrain shows that government is driven by a political agenda which at some point has to meet with actions to start addressing the most glaring social challenges such as poverty. Whilst government has certainly put in place relevant regulatory frameworks such as the BEE (Black Economic Empowerment) scorecard, it is not

clear how this informs a broader approach of prioritising and strategising and how it links to the millennium development goals. For us to start a shift, it is necessary that government is able to demonstrate that they have a broader framework for assessing, deciding on implementation and monitoring and evaluation; but also ultimately that whatever work they are starting has to be able to endure moves and transitions (such as a change of office bearers) so that it does not disrupt processes that need longer and consistent commitment and investment, particularly from the side of government.

In terms of civil society, there is a range of different actors, some still driven by a genuine desire to transform the society and willing to do what it takes. At the same time, the funding climate and other shifts in context and challenges have also resulted in a situation where NGOs themselves need to fight to confirm the need for their existence. This happens within and between sectors. When looking, for instance, at government doing their own programmes, and corporate South Africa all investing in education, one can see an example of fragmentation and the silos that have been created. (The silo approach is understood as a lack of collaboration or standardisation between business units, and a narrow focus on one's company agenda. Because there is no professional body governing the CSI sector, many corporates conduct CSI business to fit their own agenda, which often means for profit-making, rather than development.) There are also many NGOs who compete with others and do not want to work with others or to form partnerships – there is a need to be seen to be better. In some cases, donors encourage this. On the flip side, others want to see the organisations working together and not seen as individual organisations. The same question therefore applies to NGOs as it does to government and corporates – why are we doing what we are doing? NGOs also have the responsibility and opportunity to re-imagine themselves with a future role in civil society. They have to find out exactly what is needed instead of sticking to their age-old strategies.



The lack of a common agenda and strategy has also resulted in responses to the challenges faced by South Africa being fragmented. The silo approaches are not helping the realisation of the development agenda. The existence of different understandings of what social transformation is and of the language and measurement related dialogues, often means that people get stuck in the detail instead of in the action. There are different ideologies and interests driving NGOs, corporates, and government – meaning there are different agendas that may sometimes be unconnected. In addition there is a lack of communication between bodies that are investing in this space. Whilst it is possibly idealistic to assume that there won't be diverging interests and resulting strategies, there are also quite likely to be common interests that would allow for moving together at different moments, but always ultimately towards the same goal.

Corporate nuances around CSI

In terms of the corporate agenda, although there is a tendency to want to colour the impetus for CSI, the bottom line is that the core purpose of business is to add value to its shareholders – at the end of the day, the primary agenda for corporates is to make money. In South Africa, the corporate social investment terrain is primarily driven by compliance. Having said that there is, however, an increasing recognition that we profit through greater purpose – that doing good is good for business. It sounds clichéd but it is true. Business sustainability depends on sustainable communities and the environment in which they operate. So whilst there is investment, and a need to do good in the country, there is also the need to make money to be able to continue making the contributions.

The company's social development agenda often depends on where the CSI department is located. Some companies have in-house managed CSI departments located within Corporate Affairs divisions while others are linked to the marketing departments. Some have their social investments managed by external bodies and others have

set up Foundations. There are obvious pros and cons to each of the different models, but the choice of model is often also a result of how the company sees its CSI work and how it integrates it as a good business practice.

Some key challenges and contradictions CSI practitioners face in their day-to-day engagements with diverse stakeholders include:

(i) Brand-building vs pure giving

In recent years, CSI has become a vehicle for brand-building among corporates. In some cases it has created tensions with NGOs as corporates always want to fly their flag next to the project in expectation of the marketing spin. Another aspect of brand-building is sponsorship, which is about building the brand through association with a cultural event or activity, building relationships and connection through this sponsored experience that will benefit the business and, where possible, give performance exposure to product brands. It is the long term, sustainable development focus that distinguishes CSI from sponsorship.

(ii) Is a tax-break the same as giving?

One criticism that NGOs have of companies is the use of branding and/or marketing paraphernalia. Yet companies that do so get good tax breaks and there is no incentive for those companies that choose not to fly their flag or to promote their investment in social causes. Our current South African tax laws reward companies whose investments have a marketing and/or promotion aspect to them. This is the tension and contradiction that CSI practitioners who do not subscribe to cause-related marketing face from the business.

(iii) Return on investment?

The language of investment presupposes that CSI is a contribution towards something over a longer period of time for it to reap the fruits. In the corporate sector, the language of development in many



cases has focused on shorter-term investments with companies expecting the same kind of returns that they would get if they were investing in the longer term. The biggest challenge thus is that business wants to see the same results from investing in social transformation as investing in the stock market. CSI practitioners struggle to prove that with social development you cannot expect returns now. This does not mean that we cannot define what should be the investment we need to make and what are some of the returns we can expect to see along the way. It also makes it harder for organisations to make the case and to prove that the investment required by corporates would yield the kinds of returns expected; and they too are caught in the trap of succumbing to accepting this engagement as the need is quite high. This is compounded by the lack of acceptable measurement tools of social investments.

Some companies depend on company performance to make commitments to their social investments. The environment, on the other hand, requires investment over time. Instead, if we are looking for numbers, there is a need to define exactly what that is. Always push and pull. Companies are often stuck for not being able to make an investment that exceeds a five year period, as it is financially risky to commit for too long. NGOs should also see that the relationships for the corporates are also essential to ensure sustainable investment. This is one issue that should form part of the conversation around measurement.

(iv) Competition

The social transformation terrain can only be advanced if the different actors work together and not alone. Yet, there are certain dynamics that make this really hard. Firstly, the concept of partnerships becomes challenging as it has a competition element to it. This has meant that even those corporates from the same industry do not work together. Even in terms of models, they do not want to share the models that are working because these are seen as competitive tools. On the other

hand, the South African Competitions Law prohibits cooperation between industry players as there are many things that cannot be shared and hence this makes it difficult to collaborate. There may be cases where two companies may fund the same organisation and there could be discussions where the companies could talk to agree on what part of the budget each could fund.

(v) Relationship with NGOs

There is a lack of trust of NGOs and the general perception is that NGOs are all the same with no structure or governance. There is no recognition that some NGOs are governed and managed a lot better (both financially and structurally) than some CSI departments. For this reason, corporates tend to prefer to give to Public Benefit Organisations (PBOs) to the detriment of smaller organisations, some of whom do indeed lack proper governance. There are also tax advantages associated with donating to registered PBOs which do not apply to non-registered NGOs, with PBOs with Section 18a status being the most attractive, having been scrutinised by the South African Revenue Service. Also, there is the opportunity to claim full points for Broad-Based Black Economic Empowerment (BBBEE) reporting. So the risks associated with giving to NGOs and the benefits associated with giving to PBOs may tilt the scales away from investing at the implementation level. There is therefore a need to build bridges between and within sectors and to have a common language that will ensure greater cooperation, trust and partnership for the good of the country.

How do we start to shift things?

Possibly the most important starting point is an agreement on the common development agenda and vision. This could extend to include a combination of possible peer reviews and the development of an agreed method of measurement (taking into consideration that there are so many divergent interests among the different groups). This will require clear definitions and tools. At the moment there is



no one tool. At the moment there is also no one representative body to drive this, and, given the politics that would be associated with such a body, the questions of 'where' and 'who' are valid ones.

There is also a need to start building bridges between the range of different actors and to build a wider community that will allow for challenging and also advancing the agenda. The current way of working is not sustainable and requires a shift in attitudes.

To fully understand how corporates can make a meaningful and sustainable developmental contribution requires an understanding of South Africa's operational environment. In addition, CSI initiatives cannot be implemented without understanding the global and regional context. This is particularly important in the sense that, for business, the 'return on investment' gained from practising CSI depends partly on business' ability to create opportunities at the 'bottom of the pyramid'. This includes coming to grips with the fact that South Africa's challenge goes beyond poverty and includes different dimensions of social exclusion that continue to define South African society.

Corporate Social Investment is therefore about building long term capacity in an area of developmental need that is critical to the business and society. Increasingly, socio-economic and environmental concerns are as much business opportunities as they are business threats. The challenge, therefore, is for Corporate Social Investment to identify what is needed to create long-term sustainable solutions that address the issues that impact both businesses and society alike and to give these solutions life. Social investment, as it was previously understood, was largely about financial contribution. *The new environment requires not only financial, but, more importantly, sustainable, contribution – one that requires the ownership and co-creation of the solution by a multitude of stakeholders. This shift in focus places Corporate Social Investment at the heart of business and strategy.*

Winning back our historically vibrant civil society

AN INTERVIEW WITH AMELIA JONES, CEO OF THE COMMUNITY CHEST OF THE WESTERN CAPE

South Africa

We are now moving into a new era away from the influences of the seventeenth century Enlightenment era, which was characterised by Descartes' maxim "I think, therefore I am". The new era, characterised by the maxim "I relate, therefore I am", provides us with another signpost. Ian Carrick

In the early years of the Community Chest we served as a conduit to enable business to channel funds to community projects and organisations. Around that time, the giving by business was largely driven by a desire to "do good for the poor". With time, our credibility grew and we shifted from simply being a conduit for business and moved to consciously shaping our grant-making practice.

At the centre of our strategic positioning has been the transformation of the immense inequality and poverty pervading our country and approaching this from the practice of partnership and collaboration. Embedded in the messiness and complexity of partnership and collaboration is our pursuance in strengthening civil society as a countervailing force to society's increasing greed for excessive materialism and power, whilst at the same time ensuring the almost paradoxical delivery of services to the marginalised.

Our complex partnership and collaboration with government and business in the delivery of programmes are illustrative of this paradoxicality. In typical South African politics, such relationship could label our NGO as a sweetheart welfare organisation, and possibly in contradiction



to those operating on the pavement or in the so-called furious spaces of protest. We are conscious that participation in such collaborative programmes is closely connected to challenges for control over processes by people themselves and how people bring their power into this relationship.

Our engagement with government goes back many years. We started as a service provider to government and played a significant role in enhancing its capacity to improve implementation of programmes. Through engagement with government, we have been drawn into service delivery – not as a ‘delivery’ vehicle but more as ‘enabler’. We are the first to acknowledge that our engagement with government has not been without its challenges. We realised early on that investing in relationship building is critical; it afforded us the opportunity to break down barriers and resistances. We learned that when working with government there is fluidity – things are in flux and there is constant movement.

Over time we have transformed our relationship with government; we have worked to achieve critical engagement. We have transformed the space for engagement, moving between cooperation with government and confrontation where necessary. Within this transformed space, we have been able to ask the difficult questions, to renegotiate boundaries. We have adopted an ethical stance in our engagement with government and business, standing firmly on issues of values and principles. In this way, we have protected our sovereignty.

Nicanor Perlas, a Filipino activist, writes about the threefold nature of society. He sees society as being made up of the three interacting spheres, namely, civil society, government and business. He refers to this as the threefold nature of social life. He makes a case for the importance of the creative tension between these three subsystems for the healthy development of society. The creative forces in society come alive where the three come together in their attempts to shape each other. He further argues that the future of a just, healthy and free society will require the transformation of the organisation of all sectors of society: of government from its self-serving bureaucracy to an organisation that fearlessly protects its


citizens, ensuring equality and justice; of business from its short-term obsession with bottom-line returns to being longer-term investors in sustainable livelihoods; and of civil society from its combative victimhood to its cultural role of expanding freedom for individuals, community and society alike.

The collaboration of the Community Chest within this three-fold relationship manifests itself at various levels, including, among others, debating the different discourses on development, and transcendence of pro-poor policy formulation to delivery of services on the ground, which often occurs with constant tensions in these spaces. In our paradoxical relationship with business and the state, our focus is on the critical question; “How effective and transformative are we, the Community Chest, in this relationship in addressing poverty and issues of inequality?”

We are conscious that these partnerships have the potential to compromise the deeper intentions and purpose of the Chest. The partnerships may, under certain circumstances, become a charade if conversations are not characterised by openness and critical reflection, particularly where stakeholders feel radically disconnected from their individual discourses and agendas. These partnerships could also become very seductive for civil society, so it should always be on guard not to usurp power in favour of itself and become disconnected from its purpose and constituency.

The current context demands that we recognise that our world is interconnected; our stories are interconnected hence working through relationship is critical. Transformation of society will be achieved through engagement and healthy relationships between civil society, government and business. Although we are not there yet, we need to cultivate the kinds of relationships between these three sectors of society that will enable us to work together towards the creation of a society defined by equality and inclusion.

Our present financial situation is not significantly different from many other kindred organisations in the development sector. During the past year there has been a 50% decrease in corporate and individual donations



to the Community Chest and investment income has fallen significantly as the global financial crisis has impacted on capital markets. The cruel irony is that as the recession took hold, the demand for social development services was on the increase. Declining donations and a decrease in investment income have forced the Community Chest of the Western Cape to consider a R7 million cut in the grants it provides to over 400 social development organisations. These include organisations providing care to children, families, the elderly, homeless, physically and mentally challenged, people living with HIV/AIDS as well as supporting rehabilitation and community development projects. In some rural areas Community Chest beneficiaries are the only service providers. We lobby all our funding from the public, business and government within the borders of South Africa. Grassroots organisations have become the casualties of the decrease in donations, and decreasing our allocations to them has pained us.

There is a logical link between the generosity of donors and the general health of the economy. The uncertain economic climate has threatened the ongoing survival of civil society. The struggle for survival has in turn, resulted in civil society organisations becoming more competitive in their scramble for limited funding resources. To explore collaborative creative options to resource mobilisation to sustain themselves into the future is not given priority!


There is no doubt that the global and local economic conditions, in terms of the incapacity of the market to respond to the needs of society as a whole, has had an impact on how we re-organise ourselves at the Community Chest. As mentioned, it has had rippling effects on our operations; our funding situation is to a certain extent symptomatic of such global conditions. The fact that civil society itself is also held responsible for bailing out the failures of the market – and let me hasten to say, not only in financial terms – is utterly unacceptable and unethical. Philanthropic institutions have lost billions of rands, meant to benefit the poor, through the very investment and banking institutions we as citizens are supposed to trust. I would further argue that market forces have removed,

in many forms, significant capital from civil society organisations and by implication, smothered not only its survival but the creative cultural space they operate in.

However, if we argue that the vibrancy and health of civil society depend solely on the turbulences of market forces, then we undermine the sovereignty and confidence of our sector. Such an approach is reductionist in nature and could lead to hopelessness, anger and discouragement. I would prefer to pursue a more courageous approach, which is embedded in the often forgotten notion of human agency. For me, human agency refers to the capacity of individuals to act independently and has the potential to embrace the possibility of a more just and equal future society.

Working in an uncertain environment is a reality for all of us. With the economic crisis the markets have become unsure. Naturally, in the current climate fundraising has become more difficult. It has required creative responses. We chose to adopt a positive outlook. We view the present economic recession as a focal point and challenge to win back our vibrancy, to protect our sovereignty and to assert our creativity by digging deep into our inner individual and organisational resources. By being resourceful, we mean attempting to explore deeper, from the material into the immaterial, from rational discourse to intuition, from one dimensional conceptualisation to critical and creative thinking and action. In its eighty years of existence the Community Chest has faced similar challenges, emanating from the same financial institutional chaos. We remember, for example, the years after the Great Depression of the 1930s, as well as the period after World War 11 when funds were steered away from the Chest, in favour of war veterans.

In this harsh environment survival is difficult. Instead of dispersing our energies, we directed them inward. We realised that going inside ourselves is critical; that the solutions lay in bringing creativity to the fore. We connected to our self, to our essence. Directing our energies inward reminded us that partnership is our essence, it lies at the core of the Community Chest. We needed to sharpen this strategy and redefine our partnerships.



In turning inside, we created time to critically reflect on our own actions, questions and experiences – this resulted in a heightened sense of self and enabled us to see our relationships in a new light. In essence I am saying that if we became serious about navigating civil society in these uncertain and turbulent times, we should have a critical reading and assessment of the social context, and a critical voice, we should listen attentively, respect each other, have courage and sometimes suspend our opinions. We developed human capital and took time to understand the context. We focused on the immaterial and invested time in building new relationships and exploring new partnerships. Our efforts revealed new, modern, relevant resources but also highlighted the competences and abilities required in our organisation for accessing these. The exercise made us realise that we need to develop new abilities, skills, knowledge and understanding.

We need to view and understand relationship as processes of power which goes through phases as it unfolds. Partners have to be conscious of how they bring power into relationship and at times risk making themselves vulnerable in the face of others. As a result, in order to nurture healthy relationships there is a need for commitment to a process that often takes us into the unknown, working with uncertainty. There needs to be recognition that relationships should honour people instead of only honouring the systems and procedures through which we account and to which we report.

Finally, the challenge for us at Community Chest is to focus on and to understand when and under what circumstances we juggle with our own rigidity and agility within the context of what is being asked from us as an organ of civil society. Put another way, how do we manoeuvre within a context and relationships that are compounded by complexity, demanding constant and conscious equipoise?

Amelia Jones was interviewed by Nomvula Dlamini and Vernon Weitz.


Small Change: Why Business Won't Save the World.

MICHAEL EDWARDS

www.futurepositive.org

It's interesting to note that the root of "philanthropy" comes from the Greek words "philos" – meaning love and "anthropos" – meaning humankind. And remembering that philanthropy, at its heart, signifies something as deep and challenging and world-shapingly important as "love of humankind" provides a useful background for any conversation on the topic, precisely because that conversation has become so reduced to, so dominated by, questions of money, power and influence. And not just any money and influence but very large amounts of it, exemplified by the fact that that Bill Gates and Warren Buffet have recently persuaded another 38 American billionaires to give away half of their net worth. What could possibly be wrong with that, you might ask?

Well, the answer, maybe, is quite a lot – the erosion of democracy, for example, as philanthropic decisions become increasingly dominated by a small number of very rich people; the decline in trust, self-sacrifice and solidarity, as donations are increasingly made under tight top-down control and an eye to making a return on your investment;



the diversion of support away from organizations that aim to transform society, in favor of those that are satisfied with reforms and improvements around the edges, not wanting to rock the boat too much; and the danger that this new wave of business giving will deflect attention away from the costs and inequalities that exist at the heart of our economic system and that make philanthropy necessary in the first place. Paradoxically, more philanthropy could mean less impact – or “Small Change” – the title of my new book.

Of course, there’s also great potential in this movement, but we have to stop and think about what we might lose in the process as well as what we might gain. This isn’t just a technical question, an issue that’s only relevant to the professionals or to elites, it’s a question that affects all of us, because philanthropy is a fundamentally important part of our lives, however large or small our capacity for giving might be. Philanthropy has been one of the cornerstones of democracy and civil society in America ever since Alexis de Tocqueville visited towns across Massachusetts in the 1830s during his travels from France, and noted how voluntary associations of ordinary people constituted the bedrock of citizen participation, co-operation and caring that was so important in anchoring the distinctive character of the new United States. And it was philanthropy – an attitude of mind as much as voluntary giving in the form of time or money – that sustained these associations and helped to knit the fabric of communities together.

Tocqueville’s message, of course, has since spread right across the world and it’s very much alive today, from the environmental activists who are saving the rainforest in Brazil to the demonstrators who thronged the streets of Tehran and other Iranian cities in 2010 in order to defend democracy,

but it wasn’t just a message about voluntary citizen action. It was also a recognition that there are many areas of life that need to be protected from the inequalities of wealth and power that accompany the rise of the market economy, even in its early stages, and still more so today, so that everyone’s interests can be fairly represented, areas like politics and education, free speech and philanthropy. So philanthropy, as both a set of values and a mechanism of funding, belongs to all of us, and its future is a question that matters deeply.

In recent years we have seen the rise of a movement that Mathew Bishop of the Economist magazine has christened “philanthrocapitalism.” This is a horribly-inelegant and almost unpronounceable word that describes the application of business thinking to the challenges of social change by making philanthropy and the not-for-profit sector operate according to the principles of the market.

Sometimes this movement is presented in positive, can-do, evangelical terms, as in a slew of recent books that claim that business can “save the world” or in this quotation from Larry Ellison, the founder of software giant Oracle and one of the world’s five richest people: “the profit motive”, he says “could be the best tool we’ve found for solving the world’s problems”. And sometimes it’s presented as a negative judgment about the perceived failings of traditional philanthropy and non-profits: “there is virtually no credible evidence”, writes David Hunter, “that most nonprofit organizations actually produce any social value at all.” “In the past, philanthropy was rarely about impact. But now for the first time, donors have sought to make a difference. . . . [T]hey are ready to make use of the sophisticated management instruments they have developed in their business life to achieve greater performance in this new arena. . . . [T]hey

give purposefully, think strategically, and rely on measurements and regular monitoring.”


Before I go any further I should clarify that I’m not talking about being “businesslike” in the colloquial sense of being “organized and professional”, or about “competition” as “striving to do our best,” qualities that I think we would all subscribe to. I’m referring to the formal use of market mechanisms like rates-of-return on investment, enforced competition to weed out the weak, close supervision over the organizations you support, and standardized outputs as indicators of success – “an entrepreneurial results-oriented framework that emphasizes leverage, personal engagement and impatience”, as one commentator has described it.

If you come from a business background these things are entirely logical, though they are not exactly new. The booms and busts of technology-driven capitalism have always thrown up vast fortunes for a small number of individuals at certain points in time, some of which has been re-invested in good causes through philanthropy – that was the case with oil, steel and railways in the gilded age of Carnegie, Ford and Rockefeller for example; and now the story is being repeated with computers, software and financial innovation in the age of Bill Gates, Pierre Omidyar, Jeff Skoll and others who are widely praised for their style and scale of giving. There’s a strong strain of admiration for the wealthy that runs through American culture, but we should also remember Adam Smith’s warning from 1759 – not exactly a whining liberal – that “the disposition to admire, and almost to worship, the rich and powerful, and to despise, or at least neglect, persons of poor and mean conditions is the greatest and most universal cause of the corruption of our moral sentiments.”

Philanthrocapitalism is part of a wider trend to introduce the logic of the market into increasing areas of our lives including health, education, government and the media, and against this background, you could say that it was only a matter of time before philanthropy and the non-profit sector were also privatized and commercialized. That may be true, but I think the consequences may be even more significant because civil society, as I like to call it, is the very ground from which citizens can challenge and reconstruct all human institutions. So when that ground is eroded we risk losing the ability to create a different vision of the future as communities of equal persons, not as clients or consumers.

Of course, I know that there are situations where a business approach can really help. For example, if I want to get more efficient cooking stoves to African villages or micro-credit loans to the poor in Massachusetts, I would have to harness the power of the market in order to reach as many people as possible at a price point they can afford and still make a profit so that the process can continue over time. If I want to raise commercial revenue for my non-profit I would need the skills to undertake the required market testing and financial projections to make sure my strategy was viable. And every voluntary organization needs strong financial systems to forecast cash-flow projections, safeguard reserves and monitor complex contracting and reporting systems.

These are all useful tools from business, but, as a general philosophy, using business thinking to attack deep-rooted problems of inequality, discrimination, violence and alienation is a bit like using a typewriter to plough a field or a tractor to write a book – it’s simply the wrong choice of



instrument for the tasks in hand, because let's face it, social transformation is complicated, conflicted, long-term, politicized, messy, unpredictable and uncontrollable, and those characteristics make markets inappropriate, ineffective or simply inadequate tools in many areas of the work we have to do.

The function of markets is to facilitate exchange, not to negotiate solutions democratically. Markets work according to supply and demand, not solidarity and the satisfaction of human rights. They utilize competition, not the co-operation and collaboration that build successful social movements and strong alliances for change. They measure success against a clear bottom line which is easy to evaluate but absent from pretty much every situation in which non-profits work. And to succeed in the marketplace you need to exert a high degree of control over supply chains and other variables, which is the opposite of empowering others for independent action.


So when we apply the logic of the market to philanthropy we soon run into four sets of problems. The first is accountability. Philanthropy is supposed to be private funding in the public interest, but the public has no say in deciding how its interests are identified and addressed in the current scheme of things because governance and decision-making are private matters, even if you give billions of dollars away like the Gates Foundation, which has a board of three family members plus Warren Buffet. You aren't under any obligation to share information beyond the minimum that the IRS demands, nor do you have to be open to any applications from outside. In fact it's increasingly common for foundations to decide what interests them and then find non-profits to implement these plans, rather than providing open

avenues for those who are seeking resources to do what they want to do. As a result, philanthropy is in danger of becoming a control system, not a support system, for broad-based social change, and in a democratic society that raises obvious questions about the influence of large concentrations of philanthropic power among people who all tend to think alike, even if, as I'm sure they do, they have the very best of intentions.

Even more disturbing is the potential manipulation of democracy when large donors help to elect politicians who support their agenda, as Gates did when he gave \$4 million to Mayor Michael Bloomberg's campaign to abolish term limits in New York City, and who, once re-elected, reinforced official support for the school reforms that Gates wanted to fund. The point I'm making here has less to do with the details of school reform, about which there are many different opinions, and more to do with the appropriation of the public interest by wealthy philanthropists, and that brings me to my second concern, which is how these vast fortunes are being spent, in a very technocratic way that exacerbates these deficits in accountability and doesn't fit very well with the realities of social change work on the ground.

When you come from a business background, it's almost inevitable that you transfer the techniques and thinking that made you successful into your philanthropic work, and there are many who feel that this is a good thing because it encourages efficiency and effectiveness, but does it? One of the bibles of the philanthrocapitalism movement is a book by Charles Bronfman and Jeffrey Solomon called "The Art of Giving: Where the Soul meets a Business Plan", which encourages philanthropists to adopt the methods and measures of the corporate-sector when judging between

different non-profits. One of these measures, and I know it sounds like an inconsequential thing, is that meetings should start and finish on time – they should be run in a business-like fashion – but when you work in a nonprofit, especially one that is community-based, you know that there are lots of good reasons why meetings might not operate in this way.



For example, some of the participants may be working overtime or two jobs to make ends meet, and can't organize their schedules around fixed times; others may be single parents who struggle to find the childcare assistance that would free them up to attend; and it may take a long time, far longer than is predicted in the agenda, for people to raise their voices if they are fearful or under-confident, or to reach a consensus on thorny issues where different views are expressed around the table, or to take decisions in a more democratic manner when the argument ebbs and flows and has to take its natural course rather than being shoe-horned into a bureaucratic straightjacket.

When you think about it, all these things are characteristic of effective community organizing – they are signs of strength not weakness, markers of high, not low performance. And that's because at their heart, non-profits are not businesses or government agencies, they are communities of citizens who gather together to solve problems in their own ways, even if they get some help from paid staff and other professionals along the way. And that little vignette encapsulates the problems that arise when the logic of business clashes with the logic of democracy and social change, a logic that has underpinned the success of social movements that have already changed the world for the better in areas like civil and women's rights and the environment.

A recent study from Stanford University, for example, looked at 11,000 non-profits that work in the environmental field and found that the most successful were the least business-like because they had to be able to capture and channel the energy and passion of their staff and supporters in creative ways. Flexibility is vital, because every well-intentioned intervention has consequences that are unforeseen. Think of the Green revolution in Africa, for example, which is being enthusiastically promoted by the Gates and Rockefeller Foundations and others. Some crop yields may be increasing because of the heavy use of chemical fertilizers and genetically-modified seeds, but soils are being depleted, women have to work longer hours in their fields, and their families are more insecure because they have to buy agricultural inputs from companies like Monsanto instead of owning them for themselves.

So we can't assume that what works in business also works in philanthropy. Money, especially large amounts of it, can do funny things to people's judgment, and it can give us an inflated sense of our own wisdom and superiority. "Power always thinks it has a great soul and vast views beyond the comprehension of the weak" as John Quincy Adams put it, the sixth President of the United States. As it moves closer and closer towards the business model, my fear is that philanthropy is becoming a desiccated profession, dried up, removed from community, devoid of joy and spontaneity, suspicious of emotion, judgment, love and compassion, and unwilling to support organizations and causes that don't or can't satisfy the short-term metrics that business demands.

And that's my third concern: who gets funded and who gets left out when decisions about philanthropy are made according to returns on investment and the priorities of the wealthy. Not community organizing or social movement building or measures to transform the economic system, I'm pretty sure of that. It's much more likely that resources will go to programs that strengthen individual economic assets, create commercial revenue-generation possibilities for non-profits, and prioritize concrete, short-term deliverables like anti-retroviral drugs for those with HIV.


Take this research by SEEDCO in New York, for example, who studied 25 projects funded by business-oriented philanthropy in areas like housing, job training and social services, and found that 22 of the 25 gravitated towards areas with more revenue-generating potential and away from activities like advocacy which – though crucial to long-term social impact – were more expensive and controversial to undertake. The same organizations also tended to exclude families that were more difficult (and therefore expensive) to reach. What was SEEDCO's conclusion? "Don't confuse the bottom line" by mixing for-profit and non-profit objectives, and if you do, make sure you hold fast to your social mission at all times.

Or take the case of health problems in the developing world, which are a favorite target for investments by the philanthrocapitalists. A report issued last year by the Center for Global Development in Washington DC, a respected independent think-tank, found that everyone was so focused on getting drugs to those who needed them that they had neglected to think about the systems required to meet the health needs of the population – training for doctors and nurses, equipment for hospitals and clinics,

management capacity, gas and spare parts for vehicles and so on. Those areas are much less sexy, yet they are vital for long term success and sustainability.

And that's the problem in a nutshell. Things like drugs and job training are not bad in and of themselves, but they are clearly limited in their reach, and by focusing on them too much we divert energy and resources away from efforts to transform the systems that ultimately determine who wins and who loses from the processes of economic growth and development. And that's my fourth concern, which is that philanthrocapitalism deflects attention from more radical changes that could turn business in the direction of greater social responsibility. The high visibility and lavish praise attached to the mega-foundations of the rich contribute to a climate in which businesses are allowed off the hook by pretending that they can increase their social impact through philanthropy instead of transforming their own core business practices.

You can create lucrative monopolies, engage in wage theft and avoid paying your taxes, but you'll still be praised for being a philanthropist so long as you give some of your billions back. But the truth is actually the reverse: the social impact of business is greatest when the power of the market to distribute useful goods and services is matched by simultaneous efforts to change the way the economic surplus is produced and distributed, implying more fundamental changes in corporate governance and accountability and the appropriation of private profit. And that's an agenda for transforming capitalism, not simply extending it to lower-income groups. Wouldn't it be nice if business fixed itself for once instead of meddling with others where it has no comparative advantage?



When you take all of these concerns together, philanthrocapitalism may accelerate unhealthy changes in the shape and functioning of society as a whole – eroding voluntarism and collective action, shifting resources to work that maintains the status quo, and reinforcing existing relationships of power and inequality. Most insidious of all, this process is deeply seductive, with its mantra of ‘doing good for others while doing well for yourself,’ a promise of gain without pain, progress without sacrifice, decision-making without politics, and social change without complexity or struggle, a comforting mirage which acts as a break against more radical and personally-demanding solutions. Citizens are reduced to clients and consumers. Democracy is reduced to a choice between competing non-profit brands, signified by clicking on a website. Civil society is reduced to a subset of the market, stripped of its social and political content and significance. And philanthropy is reduced to an effort to collect larger crumbs from the rich man’s table. Welcome to the path of least resistance, perfectly suited to today’s passive consumer culture, when what we desperately need is a revival of mass-based civic activism in search of the public good.

It’s a depressing picture, and perhaps a little alarmist since I’m exaggerating to make the point. After all, one could make the case that philanthrocapitalism is good at doing some things and simply needs to be seen as a complement to, rather than a replacement for, other approaches to philanthropy, and in an ideal world that would be true. The problem is that the hype surrounding this movement sucks the oxygen out of the room and displaces attention away from these alternatives. So what should we do? We can’t turn the clock back, nor can we afford to turn our backs on

the opportunities presented by the rising tide of business-oriented philanthropy. But we have to recognize that these developments form only a small part of the picture and that they have costs as well as benefits that must be carefully scrutinized. Utilizing some of the tools of business where they make sense is fine; incorporating the underlying ideology of the market is not fine, in fact it is deeply destructive to our sense of common purpose, and I think that’s a useful distinction to make.

The best course of action is to build up the philanthropy of ordinary people as a counterweight, so as to reduce the dangers that stem from an over-concentration of power and influence among small groups of very wealthy people. I call this “citizen philanthropy,” and it could include encouraging the billionaires themselves to use their philanthropy to support the independence and capacity of large numbers of low-income and other disadvantaged people to make decisions of their own and not just to fund their own favorite projects. For example, they could channel resources to community foundations governed by diverse representatives from civil society; they could build up the infrastructure of the non-profit sector instead of forcing charities to compete with each other for resources, and they could include non-family members on their own boards in order to encourage dissent and broaden the base of decision-making. But these things would require the philanthrocapitalists to embrace a vision of philanthropy as a democracy of desires instead of simply a legacy of their own intents, returning it in the process to its original meaning of love for humankind, centered around humility and sacrifice.

Most important of all, we need to remember that significant social transformations have only ever occurred when

large numbers of ordinary people, acting on human values and not just their own self-interest, gain enough collective strength to change the rules of the game. What happens in those cases has little to do with rates of return or data-driven performance or any of the other gobbledygook of business, it's an expression of the transformative power of the human spirit acting collectively for a higher purpose. So when we find ourselves with our backs against the wall in our own struggles for fairness and decency and accountability whether writ large or small, we had better hope that our fellow citizens remember and act on the non-market virtues of love, compassion and solidarity that have powered all of the great social movements of the past. We erode that spirit at our peril, and that's why the stakes in this debate are so high.



Hivos and the immaterial

Reflections on a balancing act

REMKO BERKHOUT¹

Netherlands

"I should be an acrobat, to talk like this and act like that" – U2

The scene

'It all depends on the 1st of November...,' that line seemed to dominate most conversations at Hivos², until the Dutch Ministry for Development Cooperation, announced the results for a new 5 year co-funding cycle. The Hivos alliance was one of 23 NGO coalitions that survived the competitive bidding process. We submitted a proposal worth almost half a billion euros, but we had to anticipate getting only a mere fraction of that. Add our 70% dependence on government funding and it becomes clear that the stakes were high.

Whilst awaiting the results, we were also recovering from the application process. In order to comply with the requirements of the ministry, we submitted 1100 pages, mainly consisting of compulsory annexes: detailed country context analyses, monitoring systems and check- and benchmark lists for internal policies. The programme proposal itself: a collection of staccato paragraphs fitted into a rigorous assessment framework, straightjacketed answers to detailed questions. Its focus: rationales, goals, evidence based strategies, SMART results, translating into monsters of result chains with metrics for every step from input to impact.

The main objective of the government's civilateral funding channel is the strengthening of civil society in the south, but I contend that the subsidy conditions increasingly render this a mission impossible. The first part of this paper argues why the obsessive focus on quantifiable tangibles

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² Humanistic Institute for Development Cooperation, www.hivos.nl

and tighter control mechanisms complicates the immaterial essence of our conception of civil society support. The strings attached to the new round of co-funding call for a more critical stance vis-à-vis government support. In the second part of this paper I explore a number of strategic suggestions on how to move forward. My reflections relate to Hivos only, but possibly they bear some relevance for other government funded northern NGOs as well.

Hivos and the Dutch state, diverging approaches

That sign opposite the CDRA building, 'Invest in the Immaterial' would fit well on the façade of our office building. At Hivos, we define development in terms of politics and power. Core values include empowerment, self-determination and emancipation. In our view, a strong and diverse civil society is a precondition for, an expression of and guardian of an open and inclusive society. Depending on our reading of the specific context in which we operate, we support a wide range of civic actors – critical artists, courageous activists, organizations of the marginalized, broad based social movements and the specialist NGOs that surround them. Wherever we work, we try to connect with progressive forces in society, maintaining a conscious bias for countervailing tendencies, shifting balances of power, unexplored niches and emerging civic initiatives. This way of working breathes flexibility, intuition, risk taking and it takes a long term perspective on how societies evolve. In our practice, process and relationships take centre stage. In terms of our donor role, this translates into long term flexible core funding with maximum space for partners to set the terms of engagement and to implement their ideas instead of ours. By themselves these words say little about the quality of our practice, but the point is that the immaterial dimension is part of our development DNA.

For the Dutch state a different story line applies. For the last two decades or so, neo-liberalism and its affiliate 'The New Public Management' have been on a rampage in the Dutch public sector, spreading the myths of measurability and predictability into the social realm. The development sector has not been spared. For the last 10-15 years, each consecutive funding cycle has seen tighter and more cumbersome procedures and

requirements. Traditionally, relations between the Dutch state and subsidized development NGOs were governed by a spirit of trust and co-production. For decades, generous, flexible government funding enabled organizations like Hivos to pursue their own mission and philosophy with maximum autonomy. Those days are long gone. Co-production and complementarity have been replaced by alignment and competitive subcontracting. As a logical consequence there has been a push towards more tangible and predictable results and this has been reducing the scope for the kind of civil society building support that we believe in.

And yet, to date we have played along, lending currency to development critics who argue that aid agencies will always let their institutional interest prevail over the developmental imperatives of their mission. Possibly, the quest for institutional survival carries sufficient weight to smother the discussion right here, but I will delve on, because I believe that there is more to it than that.

In a sense, the balancing act between the expectations and requirements of back donors, the public in the north, and the requirements of Southern partners, is not a mere necessary compromise but a natural developmental part of our role. In the words of Allan Kaplan, it alludes to the 'straddling nature' of the development sector in that space between 'centre' and periphery³. Over time Hivos practitioners have learned how to stretch and fit immaterial support needs into acceptable programmes for back donors and Southern governments. They have a knack of reporting tangible results against rigorous logframes, without losing sight of process and relationships that form the core of the 'real' work. They handily combine more alternative risky ventures with scalable and more digestible initiatives. Networking, negotiating, brokering and framing are key competencies here. Hivos thrives on a mix of principles and pragmatism, the technical and the social, the economical and the political. In East Africa for example, we combine large scale programmes on government accountability and (new) media technology with long term organizational development support to emerging LGBT groups. In Indonesia, we work on the promotion of religious pluralism, whilst also investing in a large bio-gas programme. And

3 CDRA (2007), p.147

in a country like Nicaragua we combine mainstream microfinance programmes with support to progressive pro-abortion groups under threat from the Ortega regime. In this way we maintain a credible position in the mainstream aid game, which secures the resources and connections to support our political and progressive work in the south.

For decades, cooperative relations with the ministry were a key plank of this strategy. Behind the public eye, strong ties offered the scope for cooperation, influence and relationship building on both sides. So when the ministry's grip started to tighten, we (and probably many a civil servant too) adopted a mere 'let's get it over with' approach. The sheer quantity and flexibility of funding available and the scope for meaningful policy dialogue and joint action more than justified the efforts to apply and account for government funding. Unfortunately it also downplayed the necessity to seriously challenge the direction in which the co-financing system gradually evolved.

To date, building ties for cooperation and influence remains the dominant mode of engagement in the sector. Sensible strategizing, or a case of 'the boiling frog syndrome'? In any case, if the magnitude of the recent application process and the strings attached to this new round of co-financing are anything to go by, it is high time to revisit the terms of engagement. The whole application process for example, which started in 2008, has absorbed more than 5 man-years' worth of working time. Worse, in terms of energy and management attention, the last stages at times completely hijacked the organization as 'normal work' got pushed to the background and quality time for partner organizations became a scarcity. And that will not be the end of it. Surely 2011 and 2012 will be dominated by the organizational changes emerging from the plan: new partners, phasing in and out of programmes, the closing and opening of offices. Last but not least, the rigour of new draconian monitoring protocols and evaluation requirements are likely to occupy more and more management attention, whilst further limiting practitioners' space for manoeuvre.

And thereafter? A recent report by the Dutch Scientific Council for Government Policy recommends further alignment between the government and funded NGOs whilst suggesting that in the medium term, the

co-financing system could be abolished altogether.⁴ Add and stir a right-wing government and dwindling resources at all time low levels of public support and it is clear that compliance is a road to nowhere.

So whereto from here?

A CRITICAL STANCE

Critical friends like Michael Edwards⁵ have long been suggesting that there is a fundamental tension between the immaterial essence of transformative development interventions and the hegemonic mainstream of the aid game. Hence, NGOs like Hivos would be better off freeing themselves from the constraints of the aid chain to embark on a more adventurous journey into transnational solidarity networks working for global change. This is a risky, yet attractive proposition that alludes to drastic changes. It might well become a viable or even necessary option in the medium term. The quest for a more diversified funding base is beyond debate. However, this doesn't discharge us from the short term effort to preserve constructive government co-financing. This is not only because of our own self-interest. I would agree with James Taylor⁶ that in the bigger scheme of things, the availability of Northern fiscal resources for Southern civil society can be seen as a significant developmental gain by itself. Hence, the way in which these are put to use is something worth fighting for. In addition, if we are prepared to maintain the idea that some of the more fundamental driving forces behind the current trends in the Dutch avenue of the aid chain are the very forces that also perpetuate global poverty and inequality, then our relationship with the Dutch state and the public becomes an important terrain of struggle. We need to make a continued effort to nurture constructive relationships, but we also need to adopt a more critical stance of the kind that adds emphasis to the N of NGO. This implies active and critical engagement with remaining opportunities for dialogue. We also need to increase visibility in public debates and intensify our action in the blogosphere, not as byproducts of our 'routine' work but

⁴ For an online discussion on this landmark report on the Dutch Development Sector, see <http://www.thebrokeronline.eu/towards-a-global-development-strategy>

⁵ See Edwards (2007), p.43

⁶ p.c. James Taylor, April 2010

as central features of our practice. In some ways, we're sowing the seeds for this already. As I write this, for example, our new climate campaign, which links western consumption with climate change and the damaging effects in the south, is stirring a lot of encouraging controversy here in the Netherlands.

CONSTITUENCY AND ALLIES

The above point brings me to the question of constituency. On behalf of whom are we actually speaking when we act in the public sphere? We need a constituency to strengthen the political weight of any of our claims and opinions. This reflection can't go into the complexities of a potential Dutch constituency for Hivos, but clearly we can do more to tap into our Southern constituency: that vast global network of allies and (former) partner organizations that we built up over the years. These are times that call for dialogue, exchange and capitalizing on long-standing relationships, goodwill and trust. Here, the increased influence of Southern voices in the Hivos board and local advisory councils are a good but only a first step in the right direction. How can we make better use of all our friends in far away places? For example, we have high-trust connections to a plethora of Southern civil society organizations that have operated successfully in much more constraining and complex environments than ours. We might have something to learn from them and they might have a thing or two to say to our ministry about the direction of its development policies. Other allies could include like-minded western development NGOs that are struggling with similar co-financing tendencies in their respective countries. A recent IDS initiative called 'The big push back'⁷ is worth mentioning here. And beyond aid, we could benefit from strengthened ties with other social sectors under threat, such as arts, culture and environmental action.

THE IMMATERIAL WITHIN

A final point is that if we really believe in the immaterial essence of development, we should also nurture the immaterial internally. This is a period

⁷ See: <http://hausercenter.org/iha/2010/10/11/the-big-push-back/>

of profound change and it would be a pitfall to negotiate the complexities in the kind of relentless delivery mode that constitutes a core pitfall for so many aid agencies. Our challenge is to heed the counter-intuitive necessity to work consciously on the core of our organization, on issues such as our worldview, our mission and the values that drive our work, precisely *because* these will enable us to better navigate these turbulent waters. This implies promoting time and space for (collective) reflection, sustained efforts to debate and strengthen the core Hivos values among our staff and taking the development of our own capacity seriously. The Hivos-academy in which Hivos practitioners are enabled to exchange and better contextualize their work and the Hivos-DNA meetings, which position Hivos in the broader humanist movement, are loci of opportunity here. But I sense that we could do with a few more CDRA home-week style arrangements to promote learning, collective sense making and to foster our practice.⁸ This is not an easy task. After all, we're busy. We need to be accountable and we are under pressure to deliver impact. But in our struggle to manage priorities we ought to bear in mind that honoring and developing our own practice might well be our best bet to find ways and spaces that will enable us to sustain and enlarge our relevance in a world in dire need of more investments in the immaterial.

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CONTRIBUTORS

There are many names listed alphabetically on the cover of this publication, but only the names and biographies of a few of those contributors are detailed here. The other names belong to the leaders of a number of NGOs, based mainly in the Western Cape, who responded to our survey about their relationships with their donors (see "Current Realities in South Africa"). We promised them anonymity so that they could speak freely about these relationships. Thus they are not acknowledged here, but their contributions are highly appreciated and in many cases indicative of the difficult situation that so many civil society organisations presently find themselves in.

Joe Bloggs and Patience Nyathi ("Saving in Translation") are pseudonyms, for the same reason of anonymity.



KHANYISA BALFOUR

Khanyisa has many years of social development experience which she gained in local and international NGOs. In her six year tenure in the corporate sector she transformed the way the company which she works for and its stakeholders view CSI. She holds undergraduate and post graduate Psychology qualifications from Monash University Australia. She is an alumnus of UCT GSB having qualified from two of Graduate School of Business's management development

programmes. She championed the development of a very new programme for CSI in collaboration with GSB, which addresses the issue of professional qualification of CSI practitioners. The programme was launched in April 2009.

She has served on a number of NGO boards including the UCT Council and BoE Foundation. She is a non executive director of The Living Legacy – a Coaching & Mentoring company.

She is an inspirational speaker and lifestyle coach and a mother of four – three beautiful daughters and a handsome son and gorgeous grandson.



REMKO BERKHOUT

My name is Remko Berkhout and I currently work for the Hivos Knowledge programme. This programme seeks to contribute to knowledge generation about some of the bigger questions in the development sector. These relate to issues such as civil society building, promoting and preserving pluralism, the potential of digital natives and the role of small producers in globalized markets. Our strategy is to

bring activists, NGO practitioners and academics together to generate new insights and to share these with others.

This is not your regular development programme and that is precisely why I am drawn to it. I have been working in development for about 10 years now. I have

worked in Bangladesh, India and Mozambique. For the last year or so, I have been back in the Netherlands, a once tolerant country in turbulent times. Over the years, I have become highly critical of the dominant development practice, including my own past endeavours. Yet I also believe in the potential of the development sector to play a relevant role in what I consider an important point of our history. For that, a different practice is paramount and that's why I draw so much inspiration from the likes of CDRA and why I consider it to be a privilege to work for Hivos.



NOMVULA DLAMINI

Nomvula has been working as an organisation development practitioner with the Community Development Resource Association for 15 years. She has worked with a vast number of organisations including small community-based organisations (CBOs), national non-governmental organisations (NGOs) and global organisations concerned with social development, poverty reduction and development funding. She has experience in facilitating organisational development, change and learning processes, conducting reviews/evaluations and designing action research processes in search of innovative organisational practices that improve developmental impact.

Nomvula's professional background is in education and her early work history includes working for 10 years as a secondary school educator. Since then, she has spent the last 15 years in the non-governmental organisation sector as facilitator, trainer, evaluator and programme manager. She holds a masters degree in *Adult Learning and Global Change*.

Nomvula has published various articles on the CDRA website (www.cdra.org.za) and in publications of other organisations.



MICHAEL EDWARDS

For the past thirty years, Mike has worked to strengthen the contributions of ordinary citizens to their communities as a grant giver, writer, advocate, organizer, and activist in Zambia, Malawi, Colombia, India, the UK, and the United States. He has worked for NGOs including Oxfam and Save the Children; donor agencies like the World Bank and the Ford Foundation; and think-tanks like Demos in New York, where he is currently a fellow. Mike also cofounded the

Seasons Fund for Social Transformation, which makes grants to voluntary organizations that combine their work for social justice with spiritual principles. Mike writes regularly for the *Guardian*, the *Chronicle of Philanthropy*, and *openDemocracy* and his latest book is *Small Change: Why Business Won't Save the World*, (Berrett-Koehler, 2010) a provocative look at the trend to rely on business in solving social problems. You can follow his writings on Twitter @edwarmi or visit his website at <http://www.futurepositive.org>.



ROSALIND EYBEN

I am a research fellow at the Institute of Development Studies in the UK where I have been for the last eight years as a member of the Participation, Power and Social Change team. My work focuses on power and relations in the international aid system and stems from having previously worked as a development practitioner in Africa and Asia, including for various United Nations organisations and,

most recently, for the UK Department for International Development where in London I was Chief Social Development Adviser. I then gave that up and went to work for DFID in Bolivia where I explored the ideas I had been developing about how it is the quality of relationships, more than money, that can help make good change happen. I am still struggling to understand the implications of this for development practice.



AMELIA JONES

Amelia is a qualified social worker with qualifications in Management and Supervision. Rich community and professional experiences, educators and mentors led Amelia to the Community Chest of the Western Cape in 1993 where she is presently the CEO. An expansive and challenging environment created many transformation opportunities. She continues to develop philanthropy where she is keenly engaged in creating an inclusive environment for all. Devel-

oping human capital, enhancing community and individual capacity locally and internationally are her present keen interests. She serves in a leadership position through the United Way Worldwide, the international organisation to which the Community Chest is affiliated.

She is described by her colleagues as "always broad in outlook, wise, dedicated, conscious of priorities, realistic, optimistic, caring and ahead of her time". Amelia lives by the principle "respect for others, do your best, be yourself ... and keep life in perspective".



MARGIE KEETON

Margie has built her career working with civil society partners, applying private sector resources, vision and energy to public interest development challenges. After two decades in the mainstream of corporate social investment and public policy work in environmental management, education and social development, she is now immersed in community and civic affairs in Grahamstown, South Africa, looking for ways to apply practical

learnings to bring lasting change to the lives of people who need it most.



SUE SOAL

Sue is a senior practitioner at CDRA and plays a leading role in shaping, supporting and articulating the organisation's practice. She has been with CDRA for 17 years and remains inspired by her experience, as a member of staff, of working collegially and out of an explicit values base. She realises that this experience is an increasingly rare and privileged one.



RAJESH TANDON

Rajesh is the co-founder and President of Society for Participatory Research in Asia based in New Delhi, India. An electronics engineer and management graduate, Dr Tandon has been an educator and trainer of leaders of civil society in Asia and beyond over the past three decades. His capacity to convene various actors in development and democracy is utilised to create coalitions for advancement of human rights and dignity at national, regional and global levels. Rajesh enjoys creating opportunities for collective learning of individuals and institutions. His particular interest is in making learning an empowering experience for all.



RUBERT VAN BLERK

At present I am employed as a development practitioner by the Community Development Resource Association (CDRA). I studied at the University of the Western Cape where I qualified as an educational psychologist. Before entering the CDRA I worked as a teacher and psychologist in the Western Cape Education Dept. My studies in psychology had triggered a personal interest in systems theory and systemic change processes leading me away from a narrow clinical focus towards a community and developmental orientation as a practitioner. This would ultimately lead me towards pursuing a career in the CDRA.

I have lived all my life in Cape Town, married with three children and one grandchild. Among my favourite pastimes is keeping up with news especially South African, which I find so fascinating, as well as cycling and hiking trails.





VERNON WEITZ

Vernon serves on the Carrying Group of the CDRA, which sees its role as individual and collective accountability to organisational purpose, taking responsibility for the quality of leadership in the CDRA, attending to the welfare of staff members, overseeing strategies and programmes, and ensuring financial stewardship and sustainability of the organisation.

One of his personal ambitions is to do the Camino de Santiago de Compostela in the near future. He is a gardener, loves walking at Sea Point's promenade in Cape Town, enjoys cultural Khoi-San folk music, is interested in the work of mystics and loves conversations about ordinary people and their role in the re-imagination of the fabric of civil society and South Africa.



UNDINE WHANDE

Dr Undine Whande is a Social Anthropologist and conflict transformation practitioner who originally hails from Germany. She has lived in South Africa since 1995 and worked in local community transformation processes as a facilitator, mediator, trainer and action researcher. After having conducted research into the German experience of the Third Reich and the Holocaust in the early 90s, which

kindled her interest in transitional justice issues, she became closely engaged with the South African process of dealing with the apartheid past and accompanied the Truth and Reconciliation Commission, eventually writing her doctoral degree on the grassroots process of the Healing of Memories. Memory work, storytelling and facilitating dialogue to enable restoration, repair, imagination and new meaning out of a history of atrocity and injustice remain key areas of interest for her. Undine lives in Cape Town and currently works as Organisational Learning Specialist for the Centre for the Study of Violence and Reconciliation.

Invitation to share in the development of this initiative: A thought-platform for practitioners

At the opening of this digest we explained its origins, motivation and some of the process we wish to follow in taking it further. We have no doubt that much of what you have read will have prompted your thinking about the resourcing of civil society, and hopefully informed your practice too.

We also hope that you were engaging with the very idea of a digest focused on the practice of development, and wish now to invite you to share your thoughts on how we might take it further, in the future.

Please let us know what you think. Here are some of the questions that we have grappled with in the development of this initiative. Perhaps you have encountered similar questions, and related ideas, as you have read. We would be delighted to hear what these are -

- How does it sit?
- How helpful, stimulating, accessible, challenging is it?
- And how much more could it be of all of these things?
- And for whom?
- What are the important topics for a publication of this nature?
- What kinds of processes should go into creating such a publication; and what kinds of processes should flow out of it?
- Who should contribute?
- How can their contributions be accessed?
- What methods of presenting can, and should, be used?

- Interviews, articles, personal accounts, surveys, ghost writing, write-shopping, co-writing, quizzes, letters and debate ... all of these might work. What would be best?
- How should the digest look?
- Should it have mainly words, or art, pictures and poetry too?
- Should it be more like a journal, or more like a magazine?
- How long should it be, and how long each contribution?
- How could it be 'governed' in a way that reflects the diversity of its contributors and readers?
- How often should it come out?
- Should it be printed at all?

If you have a moment, please do write to Sue and Siobhain – sue@cdra.org.za and siobhain@cdra.org.za – and tell us your thoughts – perhaps on some of these questions, perhaps on something altogether different.