

# 'Drip-drip' funding across the growing divide.

James Taylor



We no longer talk of 'the system'. In the bad old days of apartheid the target of the struggle was often referred to as 'the system'. There was a heightened awareness of how the relationships between people, policies and institutions interacted to shape and maintain the intentional inequality of our society. To many, the system was very real. It was actively engaged with and it responded, often violently.

Even though we are now less conscious of 'the system' we cannot escape operating within a pattern of relationships that shape the outcomes of our combined efforts. At an institutional level the relationships between government, business and civil society shape the outcomes of our best efforts to address the challenges we now face. The end result of our combined efforts in South Africa right now is one of the largest gaps between the rich and the poor in the world – it is time that we again take a long hard look at the system.

Recently a number of role-players in civil society signalled their intention to start taking more responsibility for their role in the system. The Funding Practice Alliance launched the results of its research into the funding of civil society organisations by the National Lotteries Board (the Lottery) and the National Development Agency (the NDA). The Alliance is driven by the conviction that civil society has a crucial role to play in addressing the great and growing divide in our country. This role is not sufficiently understood or appreciated and is desperately under-resourced.

The people most motivated to address society's greatest challenges and unmet needs are those most directly affected by them. Acts of self organisation and civic action are the foundation of society. These impulses to organise eventually formalise and specialise into the more established institutions of society that constitute the market and the state. But the source of societal organisation and innovation is citizens acting together in civil society –ordinary people coming together to address needs that are important to them, to their families and their communities.

People directly experiencing the need have the most intimate understanding of it, and are most able to drive the process towards meeting it. Research into development interventions over many years has repeatedly shown that support of self driven change is more effective than the delivery of externally initiated expert driven solutions. Around every issue and need there are local movers and shakers who are prepared to invest enormously in pursuing the issues they feel passionately about. Particularly those people left to their own devices and labelled as poor, are forced to invest all the energy and meagre resources that they can muster into self help initiatives.

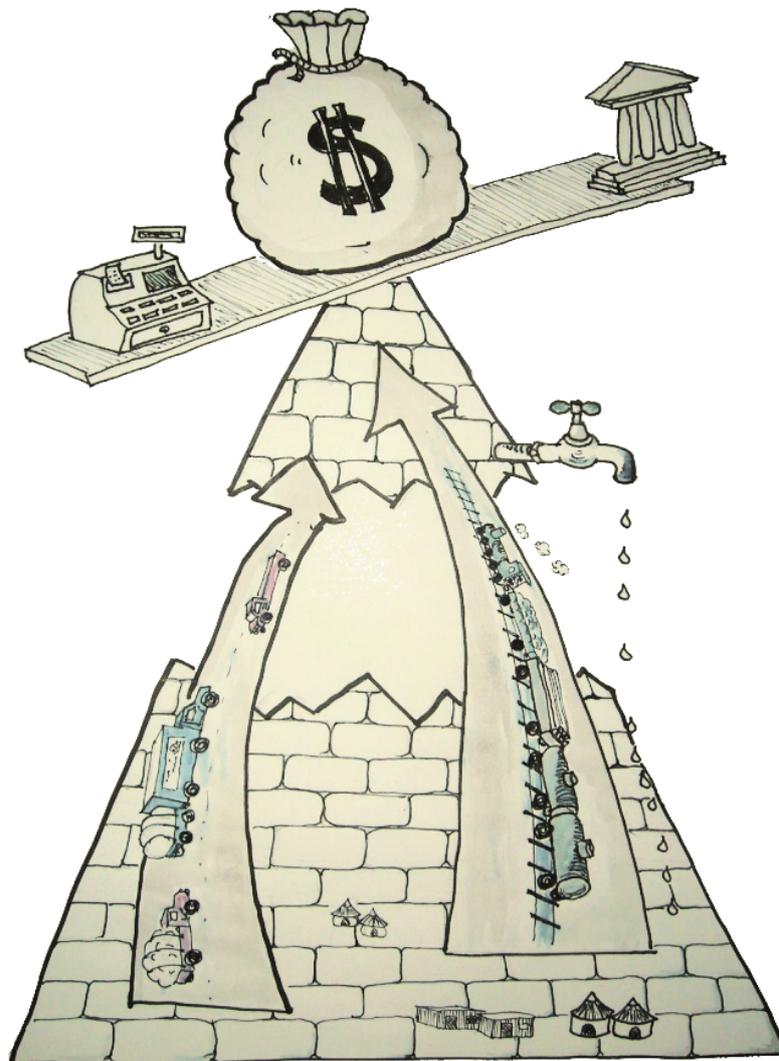
Examples abound of how society is shaped by these civil society organisations. Groups of grandmothers are brought together out of concern for their orphaned grandchildren. Clubs are started for everything from sport and recreation to saving clubs to buy schoolbooks or to build homes. Groups of traditional fishermen and women come together to get access to the marine resources they have been excluded from. People spontaneously come together to promote and protect the rights of every segment of our interconnected world. Very local struggles often come together in global movements fighting for the right to flourish against the forces that diminish and exploit. People organise around health, education, disability, music, books and gardening. These are but a minute sample of what people are willing to do. At times they are compelled by need, but often these initiatives are joyous expressions of our humanity, our creativity and need for community.

This civil society energy is an important driving force and resource for progress. We in South Africa understand this from our recent history. People organise themselves to access the resources they require to progress and develop. When frustrated, the creative energy for development is eventually compelled to become destructive in order to get rid of the barriers to their progress.

Business and government, who in practice end up controlling societal resources, have a fundamental decision to make. They can continue to overlook civil society as they squabble between themselves about who will be most effective in meeting the needs of citizens. Or they can improve their skill and ability to combine their power and resources with the limitless ability of ordinary people to organise themselves to do extraordinary things.

To be effective, all parts of society must be adequately resourced. Civil society is no exception. The tendency is for society to be organised in such a way that resources flow away from those who need them most to concentrate at the apex of the pyramid. Dominant logic suggests that those who have made it to the top are most able and suited to distributing societal resources. However, the experience of many of those trying to make civil society organisations work is that funding across the growing divide is a 'drip-drip' affair. It feels like watching an intermittent dripping tap. The hopeful recipients wait for the next

drop, not knowing when and where it will fall or how big it will be. They have no control over the source or the opening and closing of the flow. They are fearful of complaining in case they get excluded. It is difficult to get together with other beneficiaries to exert pressure for improved service as they are in competition with each other for the limited funds available.



## GINI Bridging the gap ^

Wealth concentrates at the top of the pyramid – broken as the gap between the rich and the poor continues to grow. Business and the state squabble over who is best at serving those at the bottom of the pyramid. Citizens who organise around unmet needs in civil society battle to survive on drip-drip funding from an intermittent leaking tap.

Even when the money does flow there is as much chance of funds harming organisations as there is of helping them. Because of their immense diversity, the effective funding of these organisations requires skill and competence. Overfunding can be as harmful as underfunding. Making organisations dependent and then withholding funds is a killer. Encouraging organisations to grow and then taking two years to process their next application is disastrous. Funding agencies have to be much more than a simple conduit through which money flows. It is vital to disburse funds timeously and to hold recipients accountable in ways that are appropriate to their size and sophistication. Above all, it is critical that funders are constantly learning from their recipients in order to progressively improve the service.

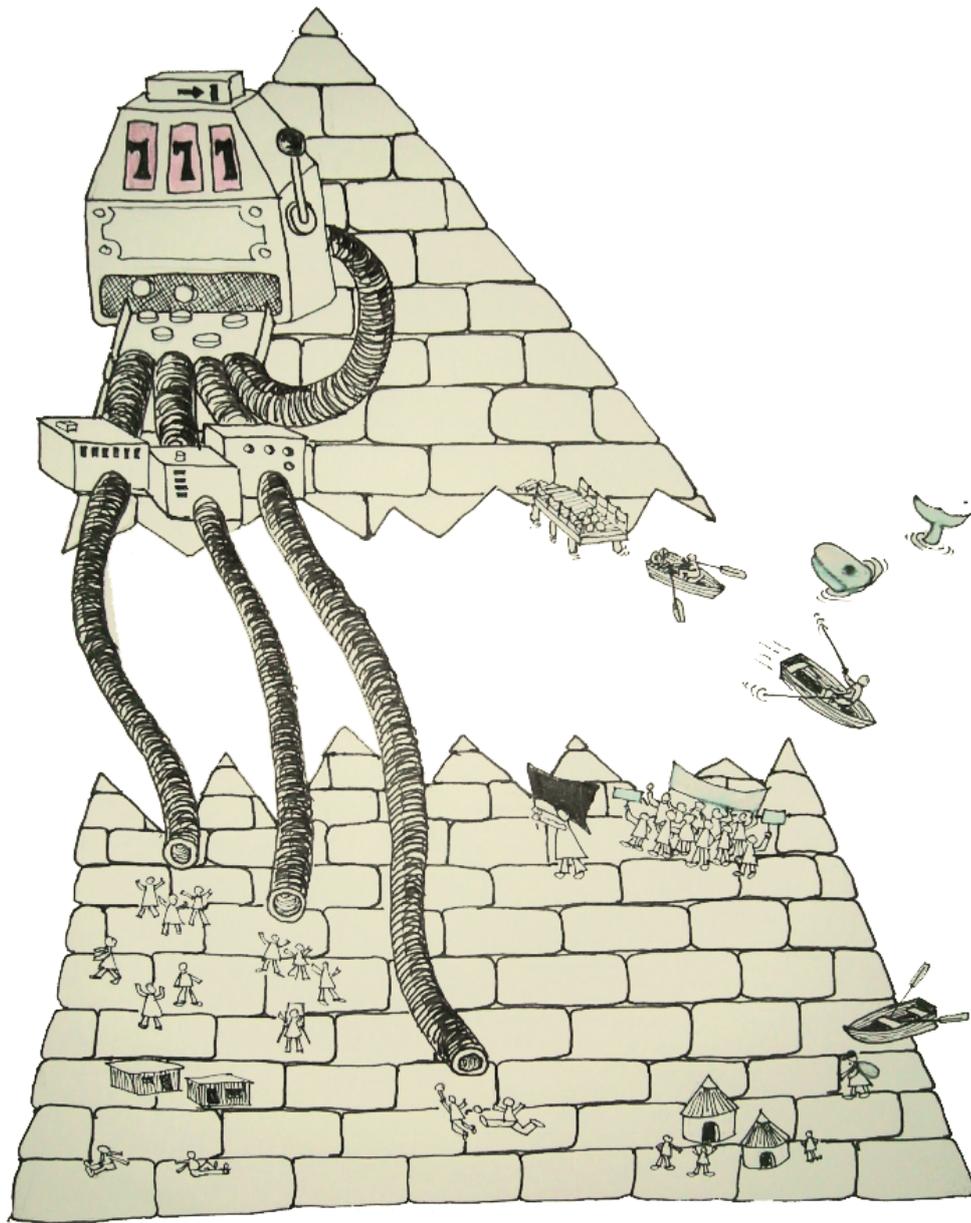
A dynamic that bedevils the funding of civil society organisations is the temptation to use funds to turn civil society organisations into delivery agents of the funder's interests and priorities. This is particularly so when the agencies doing the funding are established and controlled by a government that is under pressure to deliver services that meet the needs of its constituency.

The report of the research commissioned by the Funding Practice Alliance is simply entitled "Meeting their Mandates?". The two agencies it studies are vastly different but both are found to be falling far short of meeting their mandates effectively and efficiently. The report makes a compelling case for civil society organisations to move beyond individual attempts at demanding quality service from these agencies. The research helps us see 'the system' that we are a part of more clearly, and to understand our role in having allowed it to become the way it is. Civil society also has a decision to make. We can continue to play the victim and confront from the sidelines without meaningful engagement, or we can risk coming together to engage more confidently and constructively in changing the relationships that shape the system. Unless we actively engage, both our National Development Agency and the National Lotteries Board will continue to fail in effectively meeting their mandates.

There are a number of individuals, organisations and groupings that are already actively engaged in attempts to improve the system. The research will be used by the Funding Practice Alliance to bring committed parties together to strategise a way forward. We are eager to support Ralph Freese, who wrote an open letter to the Minister of Trade and Industry recently about the state of the Lottery. He is demanding that we benchmark the efficiency of the Lottery against SARS, that there is total transparency around all the activities and finances of the Lottery, and that the service is regularly evaluated by beneficiaries.

The research reminds us that our National Development Agency objective is specified as: "the granting of funds to Civil Society Organisations .....". A secondary objective of its mandate is: "that the NDA is to be the mechanism for building relations between the state and civil society by promoting 'consultation, dialogue and sharing of development experiences'....". The NDA should be acting as the vehicle for our creative and constructive engagement.

In 2010 the budget of our National Development Agency's was cut from R146 million to a paltry R86 million. If you subtract half for the cost of running the organisation, and then divide it by nine for the number of provinces supported, you get as an answer the 'drip-drip' of funding to civil society. The NDA should be facilitating a dynamic and productive relationship between the vast efforts of civil society and a developmental state. After ten troubled years the National Development Agency has been reduced to a small delivery mechanism for the Department of Social Development.

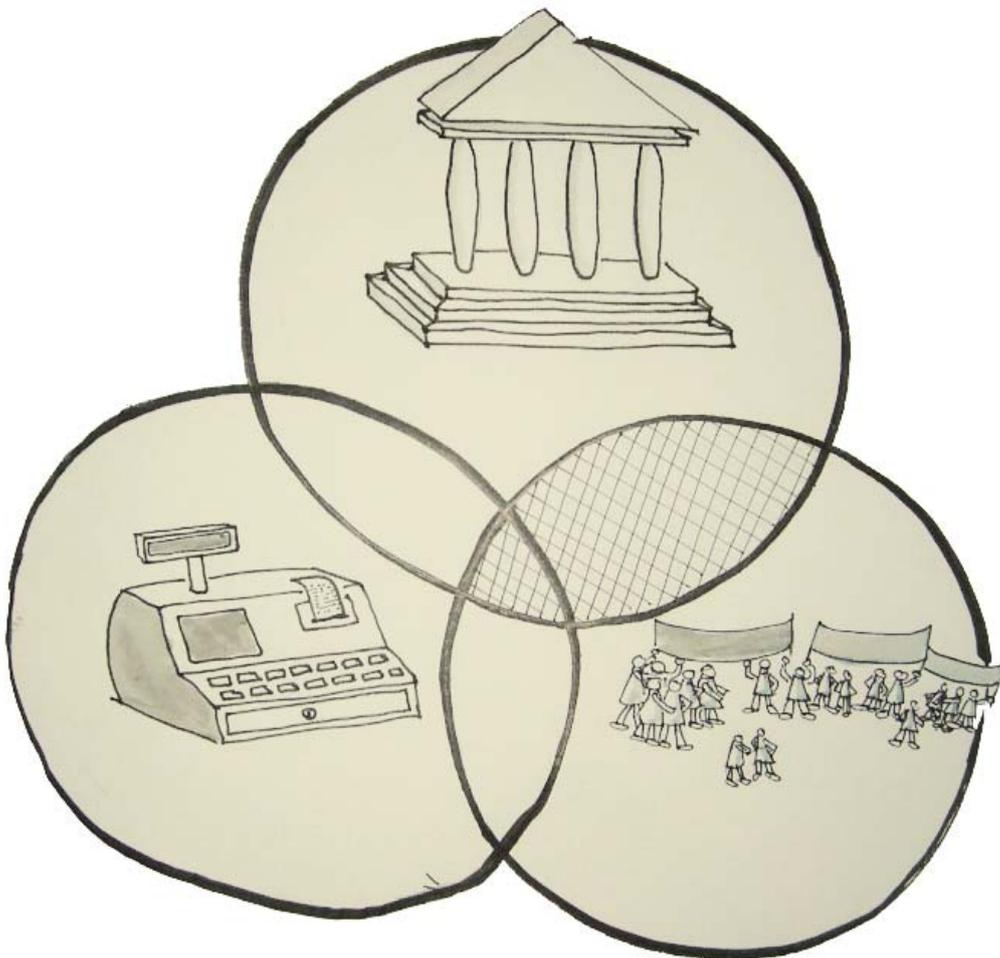


## Reaching across the divide

The National Lotteries Board and the National Development Agency attempting to reach across the divide. The Lotteries a substantial machine, working, but not that well, in need of re-design, systems upgrade and good accountable management. The NDA (rowing across the gulf) an embarrassingly under-resourced, neglected, agency. An agency not meeting its mandate to act as a bridge between the government and civil society, but being used as a minor implementer of state programmes.

The Funding Practice Alliance will be promoting a campaign to build a well resourced National Development Agency worthy of its name and able to meet its original inspired mandate. The European countries that have funded civil society in South Africa give 0.7% of their GDP to international aid. If South Africa committed only 0.1% of our GDP to the National Development Agency for civil society funding, this would amount to over R7 billion a year. To access the research or get involved go to [www.fpa.org.za](http://www.fpa.org.za)

## Imagining new relationships



**A different way of imagining society. A well resourced and vibrant civil society creatively acts with business and the state in relationships of engaged co-creation and co-responsibility.**

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