

**SOUTH AFRICAN NGOs IN TRANSITION AND THE
CHALLENGE OF PARTICIPATORY DEVELOPMENT**

by

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Declaration

This dissertation represents original work by the author and has not been previously submitted in any form to any university. Where use has been made of the work of others, this has been duly acknowledged and referenced in the text.

Signed: _____

Date: _____

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LIST OF ABBREVIATIONS

ABET	Adult Basic Education and Training
ANC	African National Congress
BESG	Built Environment Support Group
COSATU	Congress of South African Trade Unions
GEAR	Growth, Employment and Redistribution Strategy
IDT	Independent Development Trust
IMF	International Monetary Fund
NDA	National Development Agency
NGO	Non-governmental organisation
NNGO	Northern non-governmental organisation
ODA	Official Development Assistance
SNGO	Southern non-governmental organisation
PRA	Participatory Rural Appraisal
PSC	Public Service Contractor
RDP	Reconstruction and Development Programme
SANCO	South African National Civics Organisation
SANGOCO	South African Non-governmental Organisation Coalition
TNDT	Transitional National Development Trust
WTO	World Trade Organisation

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CHAPTER 1: INTRODUCTION

Since 1994, and South Africa's first ever democratic elections, the South African NGO¹ sector has often been described as being in a state of crisis (see for example, Habib and Taylor, 1999; Kotze, 1999; Cawthra and Kraak, 1999). This crisis has its origins in a number of developments since 1994 that have impacted negatively on the sector. Principal among these has been the general shift in international donor funding away from NGOs and other civil society organisations to the newly legitimate government after 1994, leaving many NGOs with a sudden shortfall in income. The sector as a whole has also experienced a general loss of experienced and skilled staff to government and the private sector. In addition, the anti-apartheid NGO community has suffered a crisis of identity. NGOs have battled to find a new role and legitimacy in a "New" South Africa in which their liberation role has become apparently redundant and in which the state has taken over many of the developmental functions they used to perform. Consequently, the NGO sector has been left unsure of what role it should now play and, in the context of severe capacity constraints, how it should play that role.

This dissertation is an exploratory study of how these changes in the sector may have impacted on local NGOs' capacity to be effective vehicles for promoting participatory development in South Africa. Internationally, for over twenty years now, "participation" has been a central theme in development discourse and practice. Participation of the poor in designing and implementing development interventions is now almost unanimously accepted as being essential to the success and sustainability of these interventions. The rise of NGOs as major players on the international development scene (Edwards and Hulme, 1992)² can be attributed to a large extent to their much celebrated comparative advantage over other development agents in eliciting the participation of the poorest and most marginalised in development projects and programmes. At a broader scale, NGOs have also been increasingly focused on as a mechanism for promoting wider participation of people

¹ There is no universally accepted definition of non-governmental organisations (NGOs). For the purpose of this dissertation, NGOs are broadly defined as private, non-profit agencies set up to promote development (Thomas, 1992).

² A significant proportion of development aid to developing countries is now channelled through international or northern NGOs (NNGOs) and increasingly, directly through southern-based NGOs (SNGOs).

in development processes as part of the recent preoccupation of donors with the project of "strengthening civil society" (Van Rooy, 2000).

The central argument of the dissertation is that the ability of South African NGOs to play an effective role as agents of participatory development since 1994 has been limited by the manner in which local NGOs have been incorporated into (or marginalised by) the national reconstruction and development project in post-apartheid South Africa. This argument is taken up at two levels of analysis. At the micro-level of NGO projects and programmes, the difficulties all NGOs face in trying to promote genuine community participation are amplified in the South African context by a range of capacity constraints that local NGOs have confronted in the transition. These constraints include severe funding shortages, pressures to become more financially self-sustaining (resulting in widespread commercialisation of NGOs), high staff turnover, and lack of adequate training and awareness of staff in participatory methods.

The dissertation also argues that it is equally important to consider the capacity of South African NGOs to promote participation at the macro level. The macro level entails NGOs individually or collectively influencing broader policies and structures that impact on people's participation in, and their deriving benefits from, development processes. It is argued that local NGOs' ability to be effective agents of participation at this level is again constrained by a number of factors related to the transition in the country. These factors include the strained and contradictory relationships between NGOs and the government, the lack of a common vision within the NGO sector, poor co-ordination amongst NGOs, and the absence of a strong and effective national coalition of NGOs.

The dissertation is divided into eight chapters. Chapter 2 outlines the research methodology that was used for the study. Chapter 3 provides a brief theoretical framework for understanding concepts such as participation and empowerment and the role of NGOs in promoting participatory development. Chapter 4 then provides an overview of the South African context for the study, including an outline of the main development problems in the country and the trends within, and the challenges facing, the South African NGO sector since 1994. Chapter 5 discusses capacity of South African NGOs to promote participation at the micro level. It first presents the results of the survey of South African NGOs and then gives an analysis of the survey findings. Leading on from the analysis in Chapter 5, Chapter 6 then explores a case

study of the issues facing one particular South African NGO in attempting to promote participation in its work. Chapter 7 explores the issue of the challenges South African NGOs face in promoting participatory development at the macro level of development policy-making and implementation. Finally, Chapter 8 provides the conclusion to the dissertation.

CHAPTER 2: RESEARCH METHODOLOGY

The three main research methods used in this study were a survey of South African NGOs, a case study of one NGO, and a review of analyses produced by South African NGO associations and related literature. The survey methodology was chosen to obtain a broad insight into the main trends within the South African NGO sector (in terms of funding, staffing etc.) and some of the major issues in relation to the capacity of NGOs to promote participation. A case study was then used to provide a more in-depth exploration of the constraints and opportunities NGOs face in promoting participation in their work at the organisational level.

2.1 Survey

The sample for the survey was randomly selected from a list of NGOs generated using the Prodder Development Directory (2000). The NGOs selected were restricted to those organisations directly involved in development work. No welfare organisations were included. The development NGOs chosen included those focussed on delivering "hard" products, such as housing, water and sanitation and other basic infrastructure, and those that provide less tangible developmental services, such as education and training and advocacy.

The survey tool used was a self-administered mail and e-mail questionnaire. During November and December 2000, 105 questionnaires were sent to the NGOs (60 by e-mail and 45 by post). A pretest of the questionnaire was first conducted with 8 NGOs (3 by fax and 5 by e-mail). On the basis of the responses received, the cover letter and questionnaire (see Appendices 1 and 2) were modified before being sent to the rest of the sample.

While it was felt that this research method was the most effective means of obtaining a broad insight into various issues in the NGO sector, the inherent problems with, and limitations of, the mail survey tool used were also recognised. These limitations include low response rates (typically about 20% of the sample), lack of control over who responds, possible misinterpretation of questions and incomplete responses (Bourque and Fielder, 1995).

Twenty-three NGOs responded to the questionnaire, representing 22% of the total number of NGOs that were contacted. While this response rate is low, it is consistent

with other surveys of this type. Various measures, such as follow-up telephone calls and e-mails, were used to increase the response rate, although this proved only marginally successful.

While the final number of NGOs that responded to the questionnaire is small, these NGOs provide a representative sample of the South African NGO sector as a whole. A mix of NGOs from eight of the nine provinces in the country was obtained (see Table 1 below). The NGOs in the sample are concentrated in Gauteng and the Western Cape, although this is roughly representative of the distribution of the larger population of NGO in the country that are registered with PRODDER.

Province	No. of NGOs
Gauteng	7
Western Cape	5
Eastern Cape	3
Northern Province	3
North-West	2
Northern Cape	1
KwaZulu-Natal	1
Free State	1
TOTAL	23

NGOs involved in a range of sectors were included in the sample (Table 2), although the majority of the organisations are based in two sectors – education and training (from early childhood education to adult basic education and training) and rural development.

Sector	No. of NGOs
Education & training	9
Rural development	8
Housing & urban development	3
Youth development	1
Capacity building	1
Legal advice & human rights	1
TOTAL	23

The sizes of the NGOs in the sample are reflected in Tables 3 and 4. In terms of number of staff, most of the NGOs surveyed are small to medium sized, falling in the range of 6 to 20 staff members.

No. of Staff	No. of NGOs
1 – 5	4
6 – 10	7
11 – 20	6
21 – 30	4
31 and above	2
TOTAL	23

In terms of the size of their budgets, there is more variation within the sample of 23 NGOs. Many of the NGOs are relatively small, with annual budgets under R500 000. Ten organisations have budgets that are medium sized, of between R500 000 and 2.5 million per annum. Three of the NGOs can be classified as large, with annual budgets of over R5 million.

Size of Budget	No. of NGOs
Less than R200 000	3
R200 000 – R500 000	6
R500 000 – R1m	2
R1m – R2.5m	4
R2.5m – R5m	4
More than 5m	3
No answer	1
TOTAL	23

In addition to the findings from the survey of 23 NGOs, additional illustrative information (mainly presented in the form of quotes) was obtained from interviews with the directors of 14 NGOs based in Durban and Pietermaritzburg in September 1999. These interviews were part of a research project undertaken by Masters students at the School of Development Studies at the University of Natal, under the direction of Dr Lisa Bornstein³. The project was intended to document the development management tools and approaches being used by South African NGOs. The NGOs interviewed were also representative of the wider NGO population, in terms of size, ranging from the smallest with just two staff members to the largest with over fifty, and in terms of the development sectors in which they work, including basic service delivery, democracy education, rural and urban development, and skills training.

³ The author hereby gratefully acknowledges the contribution to this dissertation of the 1999 Development Studies Masters students who conducted the interviews. Two of the interviews were conducted by the author.

2.2 Case study

The NGO used as a case study was chosen from the survey of 23 NGOs. The NGO, the Built Environment Support Group (BESG), was selected because of its strong stated commitment to promoting participatory development and an established track record in developing and implementing community-based approaches to development. Data for the case study were obtained from interviews with the director and two programme managers, as well as from various organisational and project documents.

2.3 Literature review

In addition to the primary research, an extensive review of the international and South African literature on participatory development and NGOs was undertaken. Most of Chapter 7, which explores the issue of South African NGOs' capacity to promote participatory development at the macro level, is based on secondary sources, particularly the annual reviews of the voluntary sector produced by INTERFUND and the South African NGO Coalition (SANGOCO) (see Cawthra and Kraak, 1999; Cawthra *et.al.*, 2001).

CHAPTER 3: PARTICIPATION, NGOs AND DEVELOPMENT

The purpose of this chapter is to provide a theoretical framework for understanding and analysing the challenges South African NGOs face in promoting participatory development. The first section explores the concept of participatory development. It is argued that participation needs to be understood at both micro and macro levels. It also highlights the important distinction between the two different (although not mutually exclusive) motivations that are usually given for NGOs wanting to promote participation in their work – the drive for greater efficiency versus the empowerment of people. This distinction relates to one of the fundamental dilemmas facing South African NGOs: the balance of the organisations' focus on the objective of speedy delivery (increasingly necessary for financial survival) versus the objective of empowering communities (which demands resources and time many NGOs struggle to afford). The issue is thus the extent of participation NGOs are able to accommodate in resolving this dilemma. The second section in the chapter identifies some of the main strengths and weaknesses of NGOs as agents of participation at both levels of analysis.

3.1 Participation and empowerment

As Botes and van Rensburg (2000) have noted, despite its widespread use, participation remains one of the least understood concepts in the development discourse. While the intentions of those who espouse participation are often noble, as with any set of beliefs or paradigm, it is necessary to analyse the concept critically. As White (1996:7) cautions:

The status of participation as a "Hurrah" word, bringing a warm glow to its users and hearers, blocks its detailed examination. Its seeming transparency – appealing to "the people" – masks the fact that participation can take on multiple forms and serve different interests.

It has been widely noted that participation is a term that can mean many things in different contexts (see e.g. Fowler, 1997; Oakley *et. al.*, 1991; Rahnema, 1992). At the level of projects and programmes, at which most operational NGO work typically takes place, however, participation is usually understood to mean that people are involved in various ways and at various stages of development processes that affect

them. Expressions of this range from general definitions, for example: "a process through which stakeholders influence and share control over decisions and resources that affect their lives (Fowler, 1997:16), to the more specific, for example; "participation includes people's involvement in decision-making processes, in implementing programmes, their sharing in the benefits of development programmes and their involvement in efforts to evaluate such programmes" (Cohen and Uphoff, 1977, quoted in Oakley *et. al.*, 1991).

The reasons for why such participation is necessary and desirable in development interventions are typically divided into efficiency and empowerment arguments (Cleaver, 1999). The efficiency motivation is based on the idea that projects which involve potential beneficiaries in decision-making and implementation tend to be more successful (e.g. in targeting the right people and being more sustainable) than projects which do not (Pieterse, 1998). Empirical evidence in support of this claim is, however, mixed. While participation may often result in better outcomes, particularly in the short term and at small scales, Cleaver (1999:597) has noted that "there is little evidence of the long-term effectiveness of participation in materially improving the conditions of the most vulnerable people or as a strategy for social change." Indeed, there is nothing inherently progressive about this efficiency or "instrumental" (Mikkelsen, 1995:63) motivation for participation. Even the World Bank, today one of the foremost promoters of the neo-liberal agenda, *requires* that this form of participation be incorporated into all projects it funds (Hintjens, 1999).

The second primary motivation commonly advanced for people's participation in development is the more radical and idealistic notion of *empowerment*. Here the idea is that:

...the practical experience of being involved in considering options, making decisions, and taking collective action to fight injustice is itself transformative. It leads on to greater consciousness of what makes and keeps people poor, and greater confidence in their ability to make a difference (White, 1996:8).

As Turner and Hulme (1997:215) note, empowerment encompasses the promotion of various forms of power:

... social power (access to bases of productive wealth), political power (access to and influence over the processes by which decisions are made) and psychological power (the sense of personal potency and self-confidence) of poor individuals and households.

Empowerment in development projects can be promoted by development agencies in various ways. One way is through the very nature of the services or products that they provide. For example, the delivery of basic services such as water, sanitation, health or housing generally enables people to live healthier, happier, and more productive lives. The provision of less tangible services such as skills training and education also contributes to the empowerment of people by increasing their productive and intellectual capacities, their self-awareness and self-confidence.

However, a participatory *process* through which such services are delivered is usually understood to be the primary means by which empowerment is achieved. In recent years, new methodologies have evolved which are intended to enable people, and especially the traditionally most marginalised people such as women and children, to give expression to their realities and needs and to devise practical solutions to development problems themselves (Chambers, 1997). Participatory Rural Appraisal (PRA) is the most well-known of these methodologies.

Methodologies such as PRA are important tools for facilitating the participation and empowerment of people in development projects. However, there are limits to what can be achieved at the local level of projects and communities alone. What tends to be neglected in most discussions of participation and empowerment is the way in which broader processes and structures impact on the possibilities for people to be empowered to participate fully in development processes. As Emmett (2000:503) states:

The distribution of power and resources between communities and the structures which transcend them, places severe limitations on what communities may accomplish. Within the contemporary setting no community is so isolated that it does not have to contend with the power of larger structures, market forces, and policies over which it has little control.

Empowerment is thus not just a matter of increasing peoples' capacities to understand and improve their material conditions at the local level through projects.

Equally importantly, it also requires that people participate in, and gain greater control over, larger political and economic processes which impact on their lives. As Mohan and Stokke (2000:249) argue:

The radical notion of empowerment focuses on “bottom-up” social mobilisation in society as a challenge to hegemonic interests within the state and the market. Conscientisation and collective identity formation around common experiences with economic and political marginalisation are key elements in this process...Hence, empowerment of marginalised groups requires a structural transformation of economic and political relations towards a radically democratised society.

Empowerment at the local or individual level can therefore be seen as part of a broader project of challenging the economic and political institutions that limit the opportunities available to people to develop themselves and their communities. In the current period of global capitalism, a broader view of participation and empowerment requires individuals and communities to understand how neo-liberal economic policies, for example conditionalities of tight fiscal deficits, reductions in social services spending etc, implemented and promoted at the national and international levels, contribute to their personal poverty and marginalisation from development opportunities at the community level. Once people make this connection, there is the possibility of “collective identity formation” (Mohan and Stokke, 2000:249) leading to grassroots resistance activity intended to bring about change at the level of broader structures such as the local and national state. NGOs can play a crucial role in assisting people to understand the connection between local conditions and their broader causes and then mobilising and organising people to challenge the social and political structures that oppress them (Edwards and Hulme, 1992).

The fostering of genuine participatory development (at both the micro and macro levels) requires the input of various stakeholders in any society – e.g. all levels of government, civil society organisations and citizens themselves. One could examine the potential contributions, and their relative strengths and weaknesses, of each of these actors in promoting participatory development. In this dissertation, however, our concern is with the role of NGOs. A focus on NGOs is important, considering the substantial responsibilities given to these organisations in development over the last few decades, as well as their widely acclaimed unique capacity for promoting participation.

3.2 NGOs and participatory development

In this section we explore the relationship between NGOs and participatory development: How can NGOs promote participatory development in practice? What are the particular strengths of NGOs as development agents in fostering participation? And what are their limitations?

In recent years NGOs have assumed responsibility for implementing a significant proportion of development work in developing countries. The amount of aid channeled through NGOs has risen dramatically in the last two decades, resulting in an explosion in the number of NGOs in both the North and the South (Powell and Seddon, 1997).

The primary reason for the remarkable rise in the profile of NGOs in development has been attributed to what has been termed the "new policy agenda" of the international aid industry (Eade, 1997). This new agenda is closely tied with the currently dominant neo-liberal development agenda, with its preoccupation with rolling back the state (which is simplistically characterised as inefficient, corrupt and dominated by rent-seeking bureaucrats) and opening spaces for the "free market" and civil society to take the lead in development. Within this context, NGOs, as part of civil society, have become the channel of choice for many donors in disbursing aid (Robinson, 1997). Added to this is the perception among many donors that NGOs perform better than governments because of their assumed organisational characteristics: capacity to reach the poor, relatively low level of bureaucracy, flexibility and adaptability, and ability to operate at low costs (Eade, 1997; Stewart, 1997; Cernea, 1988). In short, many believe that NGOs do "it" – that is, development – "cheaper, better, faster" (Stewart, 1997:12).

While it is clear that the enthusiasm for NGOs has to a large extent been driven by a neo-liberal dogma that generally sees the state as "bad" and anything outside of the state, such as NGOs, as "good," the new preoccupation in development circles with notions of grassroots development, participation and empowerment is also a significant factor. A clear statement of this is given by the World Bank in its Participation Sourcebook (date unknown):

Until recently, the Bank looked to NGOs primarily for capability in service delivery. In approximately two-thirds of projects approved in recent years, however, the promotion of beneficiary participation was cited as the main rationale for seeking NGO involvement.

Because of their organisational characteristics - close links with communities, flexibility, lack of bureaucracy, the capacity to experiment and learn from experience - NGOs are widely considered to have a comparative advantage over other development agents (particularly state agencies) in their capacity to promote local participation (Cernea, 1988; Stewart, 1997; Turner and Hulme, 1997).

With the increased profile of NGOs in recent years there has been greater and more critical scrutiny of their activities. Many questions have been raised about just how effective NGOs actually are in promoting development and the genuine and sustainable participation and empowerment of the people they work with. As Turner and Hulme (1997:206) comment, "a doctrine of assumed effectiveness has grown around NGOs, much of which is either erroneous or unsubstantiated."

At the level of projects, NGOs face the same challenges all development agents confront in attempting to promote community participation. These challenges include:

- the fact that "communities," the unit upon which many participatory approaches are based, are difficult to define and identify, and are rarely homogenous or unified,
- participation requires considerable time and energy from community members, which, especially for poor people already struggling to make ends meet, can be an unwelcome extra burden,
- high and unrealistic expectations on the part of community members of the benefits that will be derived from participating in projects,
- contesting interest groups within communities themselves can obstruct participatory processes,
- participatory processes may be biased towards the more powerful interest groups in the community, leaving the traditionally less powerful (such as women) with less input into the process. (Emmett, 2000; Botes and van Rensburg, 2000).

All of these factors can make the achievement of successful community participation in development projects a potentially time-consuming, difficult, frustrating and costly undertaking, even for NGOs with their usually closer links to communities.

A key limitation of NGOs in promoting participatory development is the project format through which most NGO development work takes place. Projects, by nature, tend to be biased towards the achievement of short-term, quantifiable objectives, rather than long-term social change (Fowler, 1997; Cleaver 1999). In project-based development, there is an inevitable tension between delivery (the product) and participation (the process) (Botes and van Rensburg, 2000). The "harder" products that are delivered (for example, water or houses) tend to receive greater priority than the "softer," but equally important, elements of development, such as transferring new skills to people, building capacity and self-confidence. The widespread use by NGOs of rational project management tools such as logframe analysis (LFA) and increasingly strict monitoring and evaluation procedures, can be understood as one important manifestation of how product tends to be privileged over process in the design and implementation of NGO development projects⁴. A strong criticism of these kinds of tools has been that they either inherently, or at least in the way they tend to be used in practice, exclude meaningful inputs from project beneficiaries (Wallace, 1997; Craig and Porter, 1997).

As experience with participation has grown, it has become clear that participation cannot simply be tagged onto projects. Recent research (see for example Blackburn and Holland, 1998) has highlighted the importance of participation being institutionalised within organisations themselves. This requires many things from organisations and their staff: the ability and willingness to listen and learn from past mistakes, openness to change, capacity for vision, focusing more on process than on product, flexible accounting procedures, downwards accountability, and flat management structures, to name a few (*ibid*). Many NGOs possess some of these characteristics. Nevertheless, it should be recognised that there are many pressures on NGOs – from within and outside the organisations - which mitigate against them being easily able to develop these qualities.

⁴ The trend towards the use of various rational planning tools by NGOs based in the north has been extensively documented by Wallace et. al. (1997). Lisa Bornstein and I, based at the School of Development Studies at the University of Natal, are currently conducting research into the extent to which, and how, these tools are being used by South African NGOs.

At the broader level, of challenging wider structures and processes that determine levels of people's participation and empowerment, NGOs are now also recognised to have inherent limitations. A serious weakness of most NGOs has been their failure "to make the right linkages between their work at micro-level and the wider systems and structures of which they form a small part. All too often NGO projects have remained islands of success in an all-too-hostile ocean" (Edwards and Hulme, 1992:13). According to Fowler (1997:19), one of the main issues facing NGOs is to expand their organisational focus from poverty alleviation at the local level, to "gaining leverage on the larger forces which keep people poor." This idea is supported by Clarke (1992:192):

The challenge for NGOs therefore is to learn how to influence key aspects of a wider development process rather than seeking to control micro-development projects from beginning to end. They must learn how to *facilitate* as well as *deliver*.

In recent years, there has been a growing concern to identify ways in which NGOs can make a larger impact (Clarke, 1992). One strategy many NGOs have used in an attempt to have an impact on broader development processes is through expanding or replicating projects that have been successful (Edwards and Hulme, 1992). The assumed participatory nature of NGOs has resulted in many NGOs undergoing rapid organisational growth as they and their donors attempt to "scale-up" the benefits of participatory projects⁵ (Blackburn and Holland, 1998). However, as organisations grow, there is the danger that they might lose the qualities that give them their special ability to elicit participation. They might become "unresponsive bureaucracies" like other large development agencies (Turner and Hulme, 1997:208) and their accountability may shift from communities to the donors who are funding this growth (Edwards and Hulme, 1992).

One strategy for NGOs wishing to achieve changes in broader development policies has been to work from *within* governments and other official agencies, whose policies they intend to influence. The aim of this strategy is to:

ensure that governments adopt policies which are genuinely developmental at national level – policies which will ultimately enable poor people to achieve greater

⁵ Blackburn and Holland (1998:1) define scaling-up as "an expansion which has a cumulative impact."

control over their lives in health, education, production and so on. (Edwards and Hulme, 1992:16).

NGOs have attempted to achieve this influence through direct funding to government departments, policy advice and by providing technical support through skilled volunteers placed within the public sector (Edwards and Hulme, 1992). In Chapter 7 we discuss how NGOs have attempted to influence policy in the South African context, and some of the problems they have encountered in doing so.

Often, however, NGOs' relationships with the state have been complementary rather than reforming. NGOs often find themselves filling in gaps in the government's provision of services to the public, especially to the poor (Clarke, 1991). This has particularly been the case where neo-liberal economic prescriptions have resulted in sharp reductions in public expenditure. The term "Public Service Contractor" (PSC) has been coined to describe the increasing number of NGOs that specialise in delivering services on behalf of the state and other organisations. These NGOs "function as market-oriented non-profit businesses serving public purposes" (Robinson, 1997:59).

There are many pressures on NGOs to enter into contractual arrangements with governments and donors, including: concerns for financial sustainability and the lure of donor funding, the push for organisational growth to increase impact, an obligation to provide employment security to staff, and the belief that the funds made available through contracting will enable the NGO to concentrate on its own priorities (Robinson, 1997).

Many observers have been highly critical of NGOs performing service delivery roles. They see a focus on delivery as being detrimental to NGOs achieving goals of fundamental social change. Edwards and Hulme (1992:20) summarise the argument as follows:

At the level of local and national power structures it can be argued that a strategy of service delivery expansion permits the alleviation of the symptoms of poverty without challenging the causes. From this radical perspective, NGOs are seen as eroding the power of progressive political formations by preaching change without a clear analysis of how that change is to be achieved; by encouraging income generating

projects that favour the advancement of a few poor individuals but not the "poor" as a class; and by competing with political groups for personal and popular action.

An alternative strategy for addressing the "the bigger picture" of people's participation in development increasingly being pursued by many NGOs, particularly those based in the developed countries of the North, is advocacy and lobbying (Clark, 1992). Here the idea is that NGOs operate from outside the organisations whose policies they wish to change. NGOs have had some important successes in changing official government and other agencies' policies on various issues through advocacy and lobbying. Clarke (1992:197) cites numerous examples of NGOs succeeding in changing Northern government policies, for example, the regulation of baby milk, various measures to protect the environment, debt relief to poor countries and sanctions against apartheid. More recently, NGOs have shown themselves to be a force to reckon with by playing a leading role in the protests against the World Trade Organisation (WTO) in Seattle and the International Monetary Fund (IMF) and World Bank in Prague and Washington.

As this section has shown, there are numerous, and often contradictory, pressures facing NGOs internationally. According to Turner and Hulme (1997:217), NGOs are caught between two powerful forces:

At one extreme is the temptation to adopt a service-delivery approach: at the other is the challenge to take on a radical political identity and directly confront local elites, the state and the international system.

As it will be argued in the following chapters, this is one of the fundamental dilemmas which faces most South African NGOs: how to remain financially viable in a new and very unpredictable funding environment since 1994, while also retaining their commitment to defending the interests of the poor and providing a vehicle for their participation in development processes. Reconciling these two objectives is proving difficult for many former "struggle" NGOs in post-apartheid South Africa.

CHAPTER 4: THE SOUTH AFRICAN CONTEXT

This chapter examines the main development challenges confronting post-apartheid South Africa, and the changes South African NGOs have undergone in the transition period since 1994. This discussion forms the background to subsequent chapters that specifically address the issue of how changes in the NGO sector have impacted on its capacity to contribute towards fostering participatory development.

4.1 The development challenge in post-apartheid South Africa

On 27 April 1994 South Africa held its first ever democratic elections, bringing to an end over four decades of white minority rule. While formal political democracy has been achieved, the “New South Africa” has however inherited enormous development challenges from the apartheid system. These challenges include extremely high levels of poverty, a hugely unequal (and racially-based) distribution of wealth, high unemployment, massive racial disparities in access to land and one of the highest rates of HIV infection in the world.

When the African National Congress (ANC) government came to power in 1994 it declared the eradication of poverty to be its first priority (Blake, 1998). The Reconstruction and Development Programme (RDP) was to be the medium by which this was to be done. The RDP sought to reverse the legacy of apartheid and to ease the plight of the poor through an interventionist strategy of expansionary fiscal policy and land redistribution. The fiscal policy included increased government expenditure on basic services and infrastructure such as water, sanitation, roads and telecommunications, housing, education, health care and public works programmes (ANC, 1994).

In 1996, barely two years into the government’s first term of office, the RDP was replaced by the Growth, Employment and Redistribution Strategy (GEAR) as the government’s macroeconomic strategy. The change in strategy was ostensibly a response to the slow delivery and poor economic performance that characterised the first two years of the RDP. It was claimed that GEAR was intended to complement, rather than replace, the RDP. In reality, however, the shift from the RDP to GEAR represented a marked shift in economic thinking, away from a primarily state-led redistributive development strategy based on demand-side policies, to a neo-liberal

strategy of standard structural adjustment prescriptions intended to attract foreign investment and promote economic growth (Padayachee *et. al.*, 2000).

The GEAR policy has provoked widespread criticism from civil society organisations such as NGOs and trade unions, who consider it to be good for big business but bad for the poor (Blake, 1998). GEAR's track record so far appears to confirm this. The strategy has consistently failed to meet its annual growth targets and in terms of job creation, the major focus of GEAR, it has been a spectacular failure. Instead of creating the projected nine hundred thousand jobs by 1999, well over one hundred thousand jobs have been lost in the mostly urban manufacturing sector alone since the introduction of GEAR (GEAR, 1996; Blake, 1998:54).

The decreases in state expenditure, especially on social services, prompted by GEAR have also had a severe impact on the poor, particularly the rural poor. The budgets of many of the government departments that directly affect the poor, such as health, education, housing and welfare, have not increased significantly in real terms in the last few years (Padayachee *et. al.*, 2000).

At the same time, however, the concept of participatory development has had a powerful influence on development thinking in post-apartheid South Africa. At a broad policy level, participation has been incorporated into the RDP as one of its six basic principles. According to the RDP, development in the new South Africa would be "a people-driven process" guided by the idea that:

Development is not about the delivery of goods to a passive citizenry. It is about active involvement and growing empowerment (ANC, 1994:5)

The 1994 White Paper on Reconstruction and Development stated that public programmes are to "be implemented through the widest possible consultation and participation of the citizenry of South Africa" (in Bollens, 2000:174). Public participation has also been enshrined in various other pieces of development-related legislation since 1994, especially at local government level - for example, the Development Facilitation Act (1995) and the Municipal Structures Act (1998). Despite these formal mechanisms intended to ensure that people have a say in national and local policies and plans, the reality is that participatory processes are seldom carried through adequately and meaningfully in implementation.

In this context, supplementary mechanisms for people's participation in development in South Africa are needed. NGOs are a potentially important vehicle for expanding and deepening participation. Before exploring the capacity of South African NGOs to play such a role, we first review some of the major trends and challenges NGOs have faced since 1994.

4.2 South African NGOs in transition: Key trends and challenges

This section explores the main trends within the South African NGO sector since 1994. Information for this section has been obtained from secondary sources as well as from the findings of the survey of 23 NGOs conducted in November 2000. Additional quotes have been obtained from the interviews conducted with 14 NGOs in 1999.

Post-apartheid South Africa inherited a large and diverse NGO sector. During the late 1980s and early 1990s, as the liberalisation programme of the apartheid government opened the way for international donors to enter the country and fund local development initiatives, the number of local NGOs expanded dramatically (Pieterse, 1997; Habib and Taylor, 1999). Although estimates vary widely due to the paucity of research on the sector, the number of development-orientated NGOs in South Africa in the mid-1990s was estimated to be about 20 000 (Bernstein, 1994:58). A recent study coordinated by the Johns Hopkins University has estimated that there are currently over 101 000 NGOs operating in the country (although it is not clear how many of these NGOs are specifically development-orientated organisations) (Streek, 2001). Many of these organisations played an important political and developmental role during apartheid by providing vital legal, welfare and developmental services to oppressed communities denied access to such services by the state (Kotze, 1999:172).

In the period following the 1994 elections, there have been a number of trends that have impacted on the NGO sector. The most significant of these has been the shift in international donor funding away from the NGO sector as many donors chose to form bilateral aid agreements directly with the new government after 1994 (Kotze, 1999; Cawthra and Kraak, 1999). A number of donors have also reduced the amount of aid to South Africa in response to budget cuts and policy changes in their home countries. Some donor countries have shifted funding to countries considered to be poorer or strategically more important than South Africa, such as in Eastern and

Central Europe. Another factor is South Africa's economic dominance of the Southern Africa region, with some donors considering increased support to neighbouring states to be necessary for the creation of a stable region (Cawthra and Kraak, 1999).

There is a general consensus that, as a result of these factors, the South African NGO sector as a whole has suffered a significant decline in donor funding since 1994. Some observers (see Kraak, 2000:18) have contested this widely held view, however, arguing that the so-called "funding crisis" in the sector is more myth than reality, with overall levels of funding to the sector remaining stable, and even increasing in the last two years. According to a recent review of Official Development Assistance (ODA) to South Africa by the National Treasury, the amount of foreign donor funding to NGOs declined sharply from 1994 to 1995, but subsequently increased to almost the same level in 1999 as in 1994 (although in real terms, the 1999 level of funding is substantially below that of 1994) (Cawthra *et al.*, 2001).

There have been few attempts to empirically verify what impact these funding trends have actually had on NGOs. The often quoted, and now outdated, study by the Independent Development Trust (IDT) in 1995 found that, of the 128 NGOs surveyed, most had experienced decreases of between one- and two-thirds of their annual operating budgets (Cawthra and Kraak, 1999:144). One of the purposes of the survey of NGOs conducted for this study was to obtain a better and more up to date insight into the impact of changing funding patterns on individual NGOs.

The findings of the survey support the view that most NGOs in South Africa have experienced a decline in international donor funding since 1994 (see Table 5 below). The majority of the NGOs surveyed (56%) have experienced some kind of decrease in donor funding over the period 1994 to 2000.

Trend	No. of NGOs	Percentage
Decreased steadily	9	39%
Remained constant initially but declined in the last two years	3	13%
Remained roughly constant over the whole period	3	13%
Declined initially but increased in the last two years	1	4%
Increased steadily	1	4%

Only recently received donor funding for the first time	2	9%
Never received donor funding/not answered	4	17%
TOTAL	23	99%*

* Totals may not add up to 100% due to rounding off.

While most of the NGOs have experienced a decline in funding, this decrease has not, however, been uniform across the sector. As Table 5 shows, the majority of NGOs have experienced a steady decline in donor funding since 1994, others have only experienced a decline in the last few years, while others experienced an initial decline with an increase in donor funding in the last two years.

Table 6 below shows the estimated changes in the level of international donor funding to the NGOs since 1994. Most of those which have experienced a decline in funding reported declines in the ranges of between 21% and 30% and between 41% and 50% of their 1994 level of donor funding.

Decreased by approximately*:	No. of NGOs	Percentage
1 – 10%	1	4%
11 – 20%	1	4%
21 – 30%	5	22%
31 – 40%	1	4%
41% - 50%	3	13%
51% and above	1	4%
Increased by approximately*:		
100%	1	4%
Not answered/no significant change	10	43%
TOTAL	23	98%

* 2000 level of international donor funding compared to 1994 level

Despite the drop in donor funding, international donors remain the dominant source of funding to local NGOs. Nine out of the 23 NGOs surveyed (39%) stated that foreign donors were their single largest source of income (see Table 7 below):

Source	No. of NGOs	Percentage
Foreign donors	9	39%
Government departments/contracts	2	9%
International corporations	2	9%
SA companies	2	9%
Self-generated	2	9%
Donations	2	9%

Kagiso Trust	1	4%
Not answered	3	13%
TOTAL	23	101%

In addition to a general decrease in international donor funding, a number of NGOs reported that many donors have changed their funding priorities, for example away from certain provinces (such as the Western Cape) and certain sectors (e.g. from urban to rural development). New donor funding priorities and criteria have made it more difficult for some NGOs engaged in particular kinds of work to access funds. As the director of a democracy education NGO remarked, "in the past as long as you could portray yourself as anti-establishment, you could get funds." The situation today is clearly different.

Funding from international donors has become an erratic source of income for many NGOs. Hence local NGOs have looked increasingly to other sources of funding. One of the assumptions behind donors shifting most of their funding from NGOs to the government was that some of this funding would be channeled back to NGOs through the government. As an interim measure to provide financial support to the NGO sector, the government established the Transitional National Development Trust (TNDT) in 1996. This organisation was, however, plagued by numerous institutional problems that created major backlogs in the disbursement of funds to NGOs. On 1 April 2000, three years later than scheduled, the temporary TNDT was officially replaced by a permanent state funding institution, the National Development Agency (NDA). This new agency has, however, also experienced various problems (e.g. delays in appointing a CEO and finalising grant-making systems) that have delayed the disbursement of funds to NGOs. This has created a gap in funding between the TNDT and the new NDA that has threatened the sustainability of many projects and NGOs (Cawthra *et. al.*, 2001).

Another source of funding which many local NGOs have looked to is South Africa's first National Lottery, which became operational in March 2000. The lottery, from which a certain proportion of funds (approximately 30%) are to be allocated to civil society organisations, was heralded as a potential lifeline for the NGO sector. Due to various administrative problems, however, it has taken over a year for the first funds to be disbursed to NGOs (Cawthra *et. al.*, 2001).

The legal and tax regimes in South Africa are also widely considered to be hostile towards NGOs in the way they limit opportunities for NGOs to receive tax-free

donations and to generate income (Cawthra and Kraak, 1999:143). This problem is, however, expected to be resolved to some extent by tax concessions recently granted to NGOs and donors, although many have argued that more relief could be still be granted (Cawthra *et.al.*, 2001; Streek, 2001).

The changes in donor funding, and delays and problems in accessing alternative funding locally, have meant that NGOs have had to quickly find new ways of generating income.

A significant new source of income for many NGOs is contracting to the government (Cawthra and Kraak, 1999; Habib and Taylor, 1999). This is confirmed in Table 8 below, which shows that most of the NGOs that reported an increase in funding from the government attributed the increase mainly to increased contracting. The NGO sector has, however, still complained that the lack of capacity in many government departments, the slow pace of delivery and complicated tendering procedures have made it difficult for NGOs to access funding through this channel (Cawthra and Kraak, 1999:143; Kotze, 1999). A number of the NGOs in the survey also complained of long delays in receiving payment for work undertaken for government departments. Some NGOs had to wait 2 to 6 months after the work was completed to be compensated. This was identified as a serious threat to their financial sustainability.

Trend	No. of NGOs	Percentage
Increased, but mainly because of government contracts	9	39%
Decreased steadily	3	13%
Increased steadily	2	9%
No/insignificant funding from government	2	9%
Declined steadily but increased in last year	1	4%
Stayed roughly constant	1	4%
Received government funding for first time only recently	1	4%
Not answered	4	17%
TOTAL	23	99%

South African NGO have adopted a number of other measures to become more financially self-sustaining. These include selling services (e.g. training, project management services), consulting, contracting to other NGOs, the government and

private sector companies, selling products (e.g. educational materials), starting businesses and investing money (Table 9).

Measure	No. of NGOs	Percentage
Selling services (e.g. training)	17	74%
Consulting	12	52%
Contracting to other NGOs	10	43%
Contracting to the government	9	39%
Selling products (e.g. educational materials)	8	35%
Contracting to private sector companies	7	30%
Started a business (e.g. conference centre)	4	17%
Investments	2	9%

In addition to the above methods of fundraising, a significant proportion of the NGOs in the sample (9 out of the 23, or 39%) have recently introduced charges for services they used to provide to communities for free. These services include project management, training, and the implementation of water provision and poverty alleviation projects.

Table 10 below shows the proportion of total income that is self-generated by the NGOs in the sample. As can be seen, for most of the NGOs, self-generated funds remain a relatively small proportion of their total income, although these levels are likely to be much higher than five years ago.

Proportion	No. of NGOs	Percentage
0	2	9%
1 – 5%	7	30%
6 – 10%	4	17%
11 – 20%	3	13%
21 – 40%	3	13%
41 and above	2	9%
Not answered	2	9%
TOTAL	23	100%

The trend for South African NGOs to rely more on self-financing appears to be related to a wider pressure within the sector for NGOs to operate more like private sector businesses. This is exemplified by a statement by the director of a large NGO involved in service delivery, who described his organisation as having to “streamline its operations and operate like any commercial enterprise.” This had been achieved

through the decentralisation of the organisation, with each region having greater autonomy and, according to the director, having to:

...operate like a business which justifies its expenditure by its means of production and what it produces in terms of service delivery. Any region which does not function according to sound business principles will close.

Another director interviewed stated that "you have to begin to understand cost-recovery – to ensure that the skills of the staff generate funds for the organisation." One director admitted that her organisation was reaching the point where it could not undertake work unless it was paid for – "if you want advice you have to pay."

In addition to severe financial constraints, the organisational capacity of South African NGOs has also been seriously affected by a so-called "brain drain," as many experienced and skilled personnel have moved to the government and civil service and the private sector (Pieterse, 1997). In the sample of twenty-three NGOs, 35% reported a decrease in the number of staff over the last five years (see Table 11 below).

Trend	No. of NGOs	Percentage
Increased	6	26%
Decreased	8	35%
Remained roughly the same	7	30%
Not answered	2	9%
TOTAL	23	100%

For many of the NGOs, the loss of senior staff and their skills has had a significant negative impact on their organisational capacity. One director interviewed stated that the loss of staff had left a "skills gap" in the organisation. Another respondent stated that her organisation's largest problem was "attracting, training and retaining staff in all areas of operations." Other organisations described themselves as not always having adequate staff capacity in certain skills and having to sometimes contract in.

Many of the respondents complained of having too few staff, with the work demands on the remaining staff increasing substantially. For example, the director of one NGO, which had been forced to retrench fifteen employees, explained how she was currently holding three positions in the organisation and often had to work twelve hours a day and over weekends.

A further strain on the capacity of local NGOs has come from new demands placed on them by international donors. Prior to 1994, the nature of the anti-apartheid struggle meant that many donors adopted a less than stringent attitude towards the way in which their beneficiaries accounted for and spent the monies they received (Habib and Taylor, 1999). This so-called "struggle-accounting" has now, however, been replaced by a much tighter stance on the part of donors towards financial accounting and programme reporting requirements for NGOs (Marais, 1997). Some of the specific changes in donor requirements reported by NGOs in the sample include:

- Donors expect more specific and qualitative feedback and planning of projects
- New reporting formats, more requirements for managing efficiency
- Donors demand tighter control over financial accounts
- Lengthy tendering processes attached to many internationally funded projects
- Requirements to use particular management tools, e.g. LFA, M&E

In many cases, local NGOs have been found severely lacking in the necessary capacity to comply with these new requirements. Furthermore, donor and government funding for local NGOs has become increasingly conditional on the ability of NGOs to demonstrate results and to show that they can make an impact on scales beyond small projects (Pieterse, 1997).

In addition to capacity problems, the NGO sector since 1994 has also faced a general crisis of identity. During apartheid, many South African NGOs defined themselves primarily by the struggle for political and social justice and focused their activities on providing support to the victims of apartheid (Kotze, 1999). However, in the post-1994 period, established identities and roles as anti-apartheid organisations have become uncertain. NGOs are now struggling to create a new identity in a democratic country, and are having to make the transition from "liberation" organisations to developmental agencies (Lee, 1994:35), or move "from resistance to reconstruction" (Marais, 1997:209). For NGOs, the eradication of poverty and inequality has become their *raison d'être* in the post apartheid period (Pieterse, 1998: 5).

At the same time, however, many of the poverty alleviation functions NGOs used to perform, such as basic service delivery, have, to a large extent, been taken over by

the new state. Thus, NGOs have been engaged in strategic processes of re-defining what role they should play in development in the new South Africa, given the comparative advantages they have built up in many areas of development, as well as the serious capacity constraints they are having to deal with.

CHAPTER 5: PARTICIPATION AT THE MICRO LEVEL

This chapter explores how the capacity constraints NGOs have confronted since 1994 have impacted on their work and their ability to promote participation at the micro level of the projects and programmes they implement. The chapter begins by presenting additional results from the survey to those reported in Chapter 4. An analysis of these findings is then provided.

5.1 Survey results

5.1.1 Operational Changes

It is clear from the survey that many South African NGOs have undergone major changes in the way they work. Sixty-one per cent of the NGOs in the survey sample said that the operational focus of their work had changed since 1994. Operational changes reported by the NGOs included:

- the dropping of certain functions e.g. two NGOs stated that they have phased out Adult Basic Education and Training (ABET) programmes;
- the adoption of new functions e.g. some NGOs have focussed more on advocacy and lobbying;
- focussing more on capacity-building rather than a "handout" approach to delivery;
- new management systems, including new skills in programme design, the introduction of time sheets for staff activities etc.

Furthermore, nine NGOs reported a shift away from project-based work in recent years. The timeframes for project implementation varied among the NGOs. Eight organisations reported that there had been a shift towards shorter-term projects or programmes, while another 8 NGOs reported a shift towards longer-term projects over the past few years.

5.1.2 Community Participation

Despite these changes, the majority (70%) of the NGOs surveyed stated that they currently practice more community participation than five years ago (see Table 12 in Appendix 3). Explanations given by the directors of these NGOs for increased participation included that their organisations had "institutionalised" the need for

community involvement, that staff are now more aware of the importance of participation, that today there are fewer “gatekeepers” in development projects than previously, that there is a greater demand from communities for NGO assistance, and that communities themselves have become more aware of the need to participate in order to benefit from projects.

Only one NGO felt it practiced less community participation today than five years ago, stating lack of funds to enable them to regularly meet with the people they work with as the reason. The remaining NGOs in the sample felt there had been no significant change in the level of community participation practiced by their organisation.

In terms of the use of specific participatory methods and tools, six of the NGOs stated that they use PRA, one said it uses Participatory Action Research, and fifteen claimed to use some form of community-based monitoring and evaluation.

Process was highlighted as more important than product by almost half (48%) the respondents (see Table 13 in Appendix 3). Typical reasons given for this answer were the achievement of objectives such as empowerment, conscientisation and capacity-building. A significant proportion (30%) also said that product and process are both equally important in their work. Only one respondent mentioned that there was a tension within their organisation over the issue of product versus process. In this case, senior management (the director and finance manager) placed greater emphasis on the delivery of the product and on spending budgets within specified timeframes, while other staff were more concerned with the process and community participation.

5.1.3 Constraints on Participation

Lack of funds was stated by a large proportion (57%) of the NGOs as a barrier to promoting community participation (see Table 14 in Appendix 3). For example, one of the NGOs mentioned that they had limited funds to travel to remote rural areas, which restricts the level of participatory interaction. Pressure to become more financially sustainable (i.e. commercial) was also cited as a significant obstacle to greater participation by 43% of the NGOs. Some of the NGOs stated that they had been forced to focus more on service delivery than on participation. A number of the NGOs mentioned that they felt pressure from the government and donors to produce

results fast, with little time being allowed for participatory processes. A few of the NGOs also said that the government departments they worked with were accustomed to working in a top-down bureaucratic manner and showed little appreciation for community participation. Government and donor reporting requirements were mentioned by a number of the NGOs as being costly and time consuming for NGOs, leaving them less time for participatory processes. Insufficient staff numbers and skills were also stated by many NGOs as factors that reduced their ability to promote participation. Finally, 39% of the NGOs stated issues within communities themselves as being an obstacle to community participation - for example, the unwillingness of people to participate and undemocratic internal leadership structures.

5.2 Analysis of results

It is difficult from the results presented above to say anything conclusive about the capacity of South African NGOs to promote participation in their projects and programmes. The small sample size, and the survey format used, make it risky to infer too much from the survey findings. There does, however, appear to be a major disjuncture between the NGOs' claims of being highly participatory (and having become even more participatory in recent years) and the increased constraints they say they have faced in promoting participation. It is not surprising that most NGOs in South Africa claim a strong commitment to participation in their work. However, even where NGOs are genuinely concerned with promoting participation and empowerment in their work, this commitment takes place in the context of severe capacity constraints and various other pressures that are likely to impede their ability to do so.

A central constraint is that few South African NGOs have the financial resources available to accommodate usually slow and costly participatory processes. In addition, the general trend towards tighter management and reporting requirements on the part of donors means that NGOs are less likely to have the flexibility, in terms of timeframes and financial procedures, which is conducive to promoting participation.

As reported on in Chapter 4, in an effort to survive financially, many NGOs have introduced quite radical changes in their organisations. They have pursued, for example, the retrenchment of staff, the phasing out of project work, the selling of

goods and services, and the introduction of user charges for services delivered to poor communities. There is a clear trend among South African NGOs towards greater commercialisation and professionalisation.

A central concern is the extent to which these measures NGOs have introduced in order to become financially self-sustaining have interfered with their traditional missions to work with, and on behalf of, the poor (Bornstein, 2000). International evidence of NGOs which have become more commercial in their activities suggests that their commitment and accountability to poorer communities is negatively affected (Edwards and Hulme, 1992).

It is not possible on the basis of the survey results presented above to make a direct correlation between those NGOs that appear to have taken a more commercial route to deal with the funding crisis (e.g. introduced user fees, contracting, consulting etc) and a decrease in their ability to promote participation in their work. What can be said, however, is that on the basis of international evidence, and local anecdotal evidence, it is likely that NGOs that have become more commercial in their activities have a weaker focus on poorer communities and facilitating their participation in development. The experience of one of the South African NGOs interviewed, described below, is instructive in this regard.

NGO X was established in the early 1950s to promote a more holistic approach to health care and to improve people's quality of life, particularly in rural communities. Its projects have traditionally focused on home food security, the provision of water and sanitation, school building, job creation and health awareness.

In 1993, with funding from international donors beginning to dry up, the NGO undertook a strategic planning process to define a vision for the future. What emerged from this process was a decision to narrow the focus of the organisation's work. It was decided that the organisation would accelerate the hand-over of projects to community management and that it should focus on training and education. This meant two changes: that the NGO would no longer undertake "projects" in areas such as service delivery and job creation; and that it would no longer concentrate just on development in the five tribal areas in its immediate surroundings, but would open itself to assisting communities from other parts of the province and South Africa. While these changes were precipitated by the need to become more financially self-sufficient, and by shifts in the development philosophy of the organisation, staff admit

that the changes produced some tensions and contradictions. In terms of training and education, which have now been structured into specific courses that the NGO has tried to market as a means of raising funds, there is the obvious contradiction that many of the people who need the training and whom the organisation is trying to target, are now unable to afford it. In addition, the handing over of projects to communities, while a goal of sustainable community development, has also created new tensions between the NGO and some communities. A recent evaluation exercise found that some members of these communities felt that the NGO had deserted the community by phasing out their project work. Also, in some cases where projects have been handed over to communities, internal power struggles have resulted and sometimes serious cases of financial mismanagement.

The experience of NGO X is by no means unique. A number of the other NGOs in the research expressed concerns that their attempts to become more financially self-sustaining might have a negative impact on the poorer communities they have traditionally served. This is revealed by the comments of some of the respondents:

NGOs are battling with the balance of maintaining their mission and working with the poor. It requires balancing and careful thought. There is a tension.

We spend more time on income-generating activities, which in turn is taking our focus away from our mission.

The move to be "business" driven led to a loss of reflective development in the organisation.

It is clear that for a number of NGOs community participation is sought as a means of ensuring that projects are less likely to fail and that costs can be recovered, rather than for the purpose of empowerment. For example, the director of a large NGO involved in water delivery commented that:

The inclusion of the community is extremely important as this develops a sense of ownership over the project...[which] allows for the effective implementation of a cost recovery mechanism once the project is completed.

As stated above, a number of NGOs in the survey reported having changed their operational foci and refocused their work around particular themes in recent years. Another key concern is whether these NGOs are shaping their projects and

programmes specifically to donor and government agendas in order to obtain funding, rather than designing projects on the basis of community needs (Marais, 1997). It is clear that donors have their own funding priorities and that NGOs wishing to access donor funding are having to fit their work into these priorities. Indeed, some of the NGOs surveyed showed themselves to be very aware of these priorities and how to exploit them, as a quote from one of the directors illustrates:

Almost all the time when you conceive of a project you want to say "who will be interested in this?" ... if you write any particular proposal for any of the Scandinavian countries, it must have a particular gender focus. If you write for the Canadians, it must have an environmental focus. You learn who wants what and you give them what they want.

In many cases, however, the types of projects and programmes that are *en vogue* with donors and the government do not fit with the priorities of the NGOs and the actual needs of people on the ground.

The loss of experienced staff from the NGO sector is likely to have reduced the capacity for NGOs to promote participation in their work. Many of the personnel who had built up strong relationships with communities have left, leaving a whole new layer of young, often inexperienced staff to fill the gap.

In addition to these capacity constraints, South African NGOs also face the range of problems encountered by all development agencies in attempting to elicit community participation, such as community apathy, unrealistic expectations and internal power dynamics. These problems may also be exacerbated in the context of South Africa, with its history of political conflict that has divided many communities along political party and ethnic lines. Some observers have expressed concerns about the ability and willingness of local NGOs to deal with these issues at the community level. As one development practitioner has commented:

Most NGOs that have had any experience of community-level development have also confronted the intractable and unpredictable nature of such interventions and how they often result in the control by a small (elite) group which can converse fluently in the mainstream development discourse. In my assessment NGOs have been reluctant to openly document and deal with these dynamics ... Local communities and their representative organisations are often led and dominated by relatively vocal and ambitious people who try and align participatory imperatives with their strategic

agendas to lead and control local development processes, especially resources. (Pieterse, 1998:5-6).

5.3 Conclusion

For NGOs in post-apartheid South Africa, the tension between product and process appears to be especially acute. The imperatives of rapidly reversing huge backlogs in the delivery of basic services, which NGOs have increasingly been charged to do through government contracts, makes it difficult for local NGOs to pay sufficient attention to empowering communities through the process of delivery. Producing tangible results as quickly as possible, which can be easily reported on and monitored, and against which NGOs can be held accountable by government and donors, has become an imperative for the survival of many South African NGOs.

While the delivery of basic services to the poor as quickly and as efficiently as possible is an immediate priority, the longer-term consequence of such pressure to deliver is, however, a form of NGO development skewed towards relief or welfare (Botes and van Rensburg, 2000) rather than an approach based on true empowerment of people that promotes more fundamental and sustainable change.

CHAPTER 6: CASE STUDY: THE BUILT ENVIRONMENT SUPPORT GROUP (BESG)

The Built Environment Support Group (BESG) provides a useful case study for exploring further the issue of the challenges and constraints South African NGOs confront in attempting to promote participation in their work. BESG was selected for the case study because it is a well-established NGO, with a good track record in community-based development approaches and a strong stated commitment to participation. It makes an interesting case study because it has survived the transition since 1994 better than most NGOs in the country, although it has still had financial and other difficulties. BESG can thus be used as a “best case scenario” against which the capacity for promoting participation of other, less well-resourced and self-reflective, South African NGOs can be compared.

6.1 Organisational history and profile

BESG was established in 1983 in order to provide support to people who were disadvantaged in their access to resources. Initially the focus was on supporting the rights to land of poor communities, but the organisation has since broadened its scope to supporting people's access to other basic resources, with a focus on housing in urban areas. This support is provided through a package of services, including technical, educational, research and policy advocacy, and administrative services (BESG pamphlet; Smit, 1999).

The post-1994 transition period has had a less severe impact on BESG than on most other NGOs in South Africa. BESG is one of the few NGOs that has experienced an increase in international donor funding since 1994. Despite this, however, financial sustainability remains a major concern for the organisation. In common with many other NGOs, BESG has had to adopt various measures to increase its financial self-sustainability, including contracting to government departments (local government), contracting to private sector companies and other NGOs, consulting and selling services. Presently approximately 20% of the organisation's income is derived from these self-generated sources.

Another means by which BESG has been able to achieve some measure of financial security is through its membership of the Urban Sector Network (USN), which is a

coalition of 8 NGOs involved in urban development. According to the director of BESG, Colin Marx⁶, large international donors prefer not to deal with NGOs on an individual basis. Being part of a broader network of NGOs benefits individual members because donors fund the network, which then distributes funds to its members (Interview, 23/10/2000).

The number of staff in the organisation has generally increased since 1994 and currently stands at about 30 people.

The operational focus of BESG's work has changed over the last few years. While the purpose of the organisation has remained the empowerment of people through the delivery of basic services, the means of doing this has changed. In the early 1990's the organisation's work consisted almost entirely of delivering tangible products. However, according to the director, the "erratic" and diminishing flow of housing subsidies in the last few years has caused BESG to shift its operational focus more towards advocacy and mobilising communities to demand access to basic services (Interview, 16/10/2000).

6.2 Community participation

The promotion of people's participation in development processes is an important aim of BESG's work. The director explained his understanding of participation as being about "people understanding, or becoming conscious of, their subordination, or the factors that exclude them...thinking about ways to challenge that and then acting on that" (Interview, 16/10/2000).

BESG sees people's participation in its projects as being necessary for both reasons of efficiency and empowerment. The director explained how there tends to be a false dichotomy made between the two motivations for participation which, in practice, is neither feasible nor desirable – "a whole project is too complex and if you try to operate at either one extreme for the whole project, you are going to fail" (Interview, 16/10/2000). He also explained how, in BESG's experience, there are certain times when too much participation can be disadvantageous to achieving a project's aims. The director was also very realistic about the balance of power in BESG's projects:

⁶ Colin Marx resigned as the director of BESG in December 2000.

Trying to be too participatory just doesn't work sometimes. But I also think we haven't truly conceptualised projects ... if you honestly think about who is actually in control of projects, I don't think we have reached the stage yet of implementing a truly participatory project. (Interview, 16/10/2000).

According to Mr Marx, BESG has become more participatory in its work in recent years. This he attributed to a number of factors. One was that staff have been thinking more about community participation. Related to this, BESG has managed to maintain a stable core of staff over the past few years, which has allowed knowledge about participatory methods to be retained and shared within the organisation. Finally, he felt that the expectations of communities, in terms of what services would be provided to them, had diminished in recent years. The people BESG works with have consequently become more open to participation in order to ensure that they benefit from development initiatives.

6.3 Constraints on participation

A major constraint on achieving full participation in projects was identified as the inevitable, and perhaps unavoidable, tendency for the NGO to have to make decisions about how much control communities have over projects. As the director put it:

One thing is control over resources, so you can try and be as participatory as you like but you as the NGO are still making decisions about resourcing, even down to the level of how much time or staff you are going to allocate to that project...you are determining what the possibilities are for how much gets handed over ... so if you are providing a service to a CBO or a community, you're deciding how much of that service you are going to provide... (Interview, 16/10/2000).

Another limit to how much BESG can hand over control of projects to communities was stated by BESG's director as follows:

Another problem is that the community and the organisations we work with don't know what they don't know... they don't know what alternatives there are...so anything that you offer sounds brilliant... (Interview, 16/10/2000).

The director acknowledged that BESG's level of community participation has not extended deep enough within communities. BESG has typically only sought the

participation of community leaders in its development projects. These leaders tend to be male, English-speaking and literate. BESG has then relied on these leaders to take the participatory process deeper into the community, an assumption that the director admits is highly problematic.

A number of reasons were identified as to why BESG had been unable to take participatory processes right down to the household and individual level within communities. One important constraint is limited time and resources. According to the director, NGO staff generally tend to underestimate the difficulties of working in a participatory manner and the amount of time participatory processes can take.

Another important issue was a concern not to undermine the role of community leaders. In the past, when BESG entered a community, it identified leadership structures with which to work. One of the criteria for choosing such structures was that they had to be democratically elected by, and representative of (as far as possible) the community. However, this strategy has created power struggles between these organisations and other organisations that represent various interests in the community. In some cases, this had led to some community organisations being marginalised from development processes.

The role of staff attitudes and biases in hampering participation is something BESG has become more aware of recently. According to the director, staff do not always recognise the all the different forms of exclusion that operate within communities. These forms of exclusion relate to a variety of issues, for example, race, class, gender, age, health status, employment status and ethnicity. Staff tend to interact only with people within communities with whom they can easily identify, thereby excluding a range of other people and their needs from the development process.

The general level of staff training in specific participatory methods was identified by the director as being relatively poor, although there were a few members of staff who had advanced skills in the use of participatory tools and approaches. PRA is not widely used in BESG's work. The director explained that they use a form of PRA, micro-planning, but that they have found the specific methods of PRA to be of only limited relevance and assistance in their work. Instead of using particular participatory tools, he explained how BESG was rather trying to prioritise and institutionalise the thinking that underlies the PRA approach.

At a broader level, BESG has attempted to increase people's participation in development through various inputs into government policy, especially in the sphere of housing delivery. In 1992 BESG participated in the Local Government Policy and Planning Project, which was an exercise to formulate the ANC's housing policy. BESG provided other technical support (training) on housing issues to the ANC as the government-in-waiting in the early 1990s. BESG also participated in the National Housing Forum in the mid-1990s as part of technical teams on housing finance and other issues. Since the mid-1990s, BESG's role in policy input has focussed more on local government level since most of the national housing policies have been put in place.

BESG has also tried to have an influence on housing policy by using its projects to demonstrate community-based models of housing delivery. As a pioneer in this field, the director believes that BESG has helped open the way for innovative community-based approaches to be incorporated by the government.

Recently, BESG has begun to focus on the issue of people's right to adequate housing and intends to promote a more rights-based approach to housing. BESG has already raised the issue of the quality of housing being delivered through the media and has made a submission to the national Director-General of housing.

6.4 Conclusion

BESG is an example of a South African NGO that is highly committed to community participation and has attempted to structure its work around the principles of participatory development. There are numerous other examples of local NGOs which share similar values. However, BESG is relatively unique in that, unlike most other NGOs, it has experienced an increase in donor funding since 1994 (its budget has roughly doubled). It also has numerous and large donors which have continued to support the organisation after 1994 and it has a core of highly trained professional staff, which has remained more or less stable.

What this case study illustrates is that even a relatively well-resourced NGO, which has been less affected by the capacity constraints that have paralysed or closed many other NGOs in South Africa, faces significant challenges in trying to promote participatory development. These challenges include insufficient resources and time, inadequate staff training and staff biases, and issues within communities which

complicate and delay participatory processes. Thus, the question that arises is: If an organisation such as BESG encounters these problems, what about those NGOs that are simply struggling to survive? To what extent, if at all, can it be expected that these NGOs are able to promote meaningful participation of the people they work with?

CHAPTER 7: PARTICIPATION AT THE MACRO LEVEL

This chapter provides a discussion of some of the challenges confronting South African NGOs in their attempts to promote participation of people in broader development processes, particularly through influence on government policies. The discussion is structured around three key issues that are considered to be particularly important: NGOs' relationships with the government, contracting, and the absence of a strong united front of NGOs.

7.1 Relationship with the government

A central issue for all NGOs seeking to play a wider role in development is their ability to have an influence over the policies of the government (Fowler, 1994). As Edwards and Hulme (1992:16) argue, such influence is vital as "the state remains the ultimate arbiter and determinant of the wider political changes on which sustainable development depends." In the South African context, however, the prospects for NGOs having a significant influence on the government's development policy, appear slim. NGOs have engaged with the government's policies at a number of levels. The sector as a whole has voiced strong opposition to the government's GEAR macroeconomic framework, which it correctly understands to have done little to reduce the unacceptable levels of poverty and inequality in the country. Many NGOs in particular sectors such as land rights, health, water and justice have also been highly critical of certain government policies in these areas and have made important inputs into various pieces of legislation (Cawthra and Kraak, 1999). However, despite the general awareness of how these broader processes impact on the people they work with, there are a number of factors which constrain the ability of local NGOs, either individually or collectively, to achieve substantial change.

One critical factor is the generally tense relationship between the government and NGOs, which has reduced the prospects for constructive working relationships. The government has displayed an ambivalent attitude to NGOs and their role in development (Habib and Taylor, 1999). At times the NGO sector has been praised by the government for its contribution in the struggle for democracy. In the government's original RDP document, NGOs were also given a prominent role to play in the development process in post-apartheid South African (Marais, 1997). At other times, however, the government has displayed an openly hostile attitude towards the NGO

sector. Soon after coming into power, the government made it clear that it felt that the NGO sector was unnecessarily large and that only those NGOs which could deliver services efficiently and were able to compete with the government and the private sector could expect to survive in the new South Africa (Stober, 1994). More recently, the government has been more critical of NGOs. In a speech at the ANC's 50th Conference in December 1997, then President Nelson Mandela accused elements within the sector of working with certain foreign donors (widely understood to be mainly USAID) to undermine the government and its development programme, and of lacking a popular constituency or membership base amongst the population (Cawthra and Kraak, 1999; Meintjies, 1998).

Certain recent developments have caused concern within the NGO sector about possible attempts by the government to control and silence the NGO community. A key issue has been the perceived unwillingness of the government to give financial support to the NGO sector. Despite both the NDA and the National Lottery being in operation for over a year, neither of the agencies have finalised their grant-making mechanisms. This has delayed the disbursement of millions of Rands to needy NGOs. Bottlenecks in the disbursement process have been construed by some within the sector as an indication of government's hostile attitude towards the sector:

In the final analysis, however, the on-going delays in operationalising the NDA and the distribution of the National Lottery proceeds casts doubt on government's political will and commitment to easing the funding woes of the voluntary sector, and to creating platforms for meaningful interaction. (Cawthra *et. al.*, 2001:155).

In addition to delays in disbursing funds, another issue of concern for the NGO sector has been the issue of the mechanisms through which the government will distribute funds from the National Lottery. A recent announcement that the funds will be disbursed through the National Lotteries Board, which the government has significant influence over, instead of the existing and more experienced civil society grant-making agencies, has caused further resentment from NGOs. The South African NGO Coalition (SANGOCO) has publicly criticised the government's decision as "an attempt to move decisions about development funding away from civil society, and closer to the state" and as "another example of the contempt with which the government ... views the NGO sector" (More, 2000).

A further issue straining the relationship between NGOs and the government is that of NGO registration with the Directorate of Non-Profit Organisations in the Ministry of Welfare and Population Development (now renamed Social Development). The Non-Profit Organisations Act, which came into effect in September 1998, and under which the new NGO Directorate was established, abolished apartheid restrictions on NGOs and established a new, supposedly, simpler and more flexible system for the registration of NGOs. It also provides for minimum standards for good NGO practice in managing and reporting on the use of public funds (Cawthra and Kraak, 1999).

Registration is not compulsory for NGOs. However, it has been made clear that qualification for tax exemption grants from the NDA and the National Lottery are dependent on registration (Cawthra *et. al.*, 2001). Furthermore, it is likely that the government will in future only enter into contracts with registered NGOs and that donors will only fund organisations that have been registered (Cawthra and Kraak, 1999). NGOs have been slow to register. After two years since the Act was passed, only about 8000 organisations had registered. This slow rate of registration has been attributed to lack of information within the sector on registration procedures and the benefits of registration (or the perceived lack thereof) (Cawthra *et. al.*, 2001). However, as one director interviewed explained, NGOs may also be reluctant to register due to a belief that it is another way the government is seeking to control the sector.

It is not clear at this stage how these tensions between the NGO sector and the government will be resolved. However, an uneasy, suspicious and distrustful relationship between the two is unlikely to have positive implications for the possibilities of NGOs constructively engaging with government to promote greater people's participation in development policy-making and implementation.

7.2 Contracting

Another important aspect of the relationship between NGOs and the government is that of NGOs contracting for work from government departments. Contracting has been one way for NGOs to obtain funds and potentially influence government policy. However, as Meer (1999) has cautioned, there are inherent risks for NGOs in working closely with the state, such as getting co-opted or excluding grassroots organisations from policy-making processes. According to Meer, the key question for NGOs is whether they can serve government and communities simultaneously?

There are reasons to suggest that serving government through contracting may jeopardise the role NGOs can play in promoting the participation and interests of poorer and marginalised communities in development processes. Various factors mitigate against NGOs taking a strong oppositional stance towards the government and its policies.

One obvious factor is that it is difficult for organisations to be openly critical of the government when they rely heavily on government for their funding. As Habib and Taylor (1999:79) argue:

NGOs dependence on state funding and their newly formed "client" relationships with government must lead one to question their autonomy and whether they can avoid being mere appendages of state institutions. Working as "private subcontractors" of government and with funds from overseas governments, NGOs are increasingly no longer non-governmental. Will the one who pays the piper call the tune?

Another issue is that many former NGO staff now hold positions in government, which serves to further decrease the likelihood of strong opposition to government policies coming from NGOs. Many might have hoped that the presence of greater numbers of former NGO activists within government would open new spaces for NGOs to influence policy. However, some commentators have argued that just the opposite has occurred, that the avenues for NGOs to influence policy-making have been steadily shut down by government in recent years (Cawthra *et. al.*, 2001).

There have been some cases where NGOs have been able to make constructive inputs into policy-making processes through contracts with the government. However, as Meer (1999) has noted, these contributions have often been made by technical experts with few links to the community base the NGOs were intending to represent. Furthermore, South African NGOs have generally spent relatively little time on supporting or catalysing grassroots initiatives to engage with government policy or implementation strategies (*ibid*). The severe capacity constraints most NGOs have encountered since 1994, such as inadequate funds, staff and time, are likely to have further reduced opportunities for such interaction with communities.

Given the level of poverty in South Africa, and the failure of the government's policies to adequately reduce these levels, it is tempting for South African NGOs to focus on

government contracts and service delivery. However as Hein Marais (1997 quoted in Kraak, 1997:17) has stated, there is a bigger picture that NGOs could too easily lose sight of if they focus simply on filling in the gaps left by government:

“if GEAR fails to reach the economic growth targets needed to trigger a substantial trickle-down effect (a highly probable outcome given current trends) the onus will fall, once again, on NGOs to deliver to the poorest of the poor...NGOs' roles then harmonise with standard neo-liberal logic, in the sense that their activities become functional to an overall process that amounts, bluntly, to the privatisation of development and welfare. Those NGOs taking up that cudgel will be engaging not as elements within a broader transformatory programme, but will serve as key actors in a social policy geared towards containment (and not the transcendence) of poverty and inequality.”

Thus, as Habib and Taylor (1999:80) warn, the danger in NGOs limiting their role to service delivery is that they come to be “seen as agents of control, of being co-opted to neo-liberal agendas, becoming the “community face” of neoliberalism.”

7.3 A united front?

It has been argued so far that the possibilities for NGOs individually influencing wider government policies that exclude people from development opportunities are limited. What then, about the possibilities for NGOs working together to provide a strong united front to achieve positive changes in policy? Here again, it is argued that the prospects of this happening are limited by a number of factors.

Firstly, competition between NGOs for scarce donor funds and government contracts, and the generally narrow sectoral foci of most NGOs in the country, has resulted in little cooperation and coordination between NGOs on issues of common interest.

A second, related issue, is the general weakness of the only national coalition of NGOs in the country. The South African NGO Coalition (SANGOCO) was established in August 1995 with a mission to:

...promote civil society by uniting and strengthening the NGO sector to enable it to influence development policy and advocate for programmes that meet the needs of the poor in the best possible way, at the least possible cost. (www.sangoco.org.za).

The coalition has a large membership of thousands of NGOs from an array of development and welfare sectors. However, SANGOCO, like its affiliates, suffers from an identity crisis. At the coalition's annual conference in September 2000 a central issue raised was what SANGOCO's role should be. It is clear from numerous policy documents that SANGOCO leadership sees the organisation's role as being a vehicle for uniting the sector behind key developmental objectives and using this united voice to influence government policy in favour of the poor. The problem, however, is that, while being a membership based organisation, it is not clear who exactly SANGOCO represents and how it can carry this voice through to the level of policy influence. Most of the coalition's programmes and campaigns have been devised and driven by leadership at the national office, with relatively little input from, and feedback to, member NGOs, apart from the annual NGO weeks, which relatively few members attend (Cawthra *et. al.* 2001). This is a weakness SANGOCO has identified:

At issue is the role and function played by SANGOCO as a national coalition. In the past SANGOCO has tended to plan and undertake initiatives and programmes above and removed from the existing initiatives of the sectors and members...There is a need to redefine the role of SANGOCO as a coordinative coalition focussing the energy and initiatives of its members (SANGOCO Into the New Millenium, 2000:3).

Part of the problem is the diversity of SANGOCO's membership base, which includes a spectrum of NGOs of various political views and organisational objectives, from those with radical political agendas, to welfare and service-delivery organisations. While this diversity is part of SANGOCO's strength, it can also be a weakness. Organisations with explicitly political motivations and those that are more delivery-orientated, while sharing similar views on the objectives of development, may have very different ways of going about addressing development problems. They are also likely to have different relationships to the state, with political orientated organisations taking a more oppositional role and delivery organisations playing a more complimentary role to the government. Thus, it is difficult for SANGOCO to articulate and balance the interests of different organisations and to come up with a common vision that represents all its member organisations. This problem may be exacerbated by the alliance formed at NGO Week 2000 between SANGOCO, COSATU and SANCO (Cawthra *et. al.*, 2001). The new alliance between these three important civil society formations has the potential to put SANGOCO in a more

powerful position to give expression to its opposition to GEAR and other government policies. However, there are also potential risks for SANGOCO:

While the coalition may thus gain in visibility, strength and coherence as an organisation and as a political actor, its role as a unifying force for a wider spectrum of civil society organisations may be affected...the coalition may face a narrower membership base in the future as more conservative member organisations may opt to leave the coalition (Cawthra *et. al.*, 2001).

In addition to its identity crisis, and adding to it, are the institutional weaknesses of SANGOCO as an organisation. In an internal review document (SANGOCO, 2000), a number of these weaknesses were identified. These include:

- Rapid turnover of senior staff and inadequate strategic skills in SANGOCO, impacting on operation and performance,
- Financial stress,
- Neglect of systematic review and strategic reformulation of SANGOCO's vision, mission and programmes,
- Uneven capacity and coordination amongst the provincial structures of SANGOCO,
- Inadequate strategic skills at the national level,
- SANGOCO has operated in a manner that has not built on its sectoral structures as the key pillars of the organisation.

SANGOCO has devised a strategy to address these shortcomings with an extensive overhaul of its key management structures and procedures. The organisation's key strategic objective is to shift from a previously top-down management system to one that includes greater participation by its members in decision-making processes. This will involve rationalising and amalgamating some of the sectoral categories into which members have been placed, strengthening the provincial NGO coalitions, streamlining the national office and relieving the director of certain management functions on concentrate on providing strategic direction to the coalition (Cawthra *et. al.*, 2001).

Despite its difficulties, the coalition has had some notable achievements. One particularly important one was the Speak Out on Poverty hearings in 1998, which were co-hosted by SANGOCO, the South African Human Rights Commission and

the Commission on Gender Equality. The hearings gave an unprecedented opportunity to South Africa's poor to articulate their experiences of poverty and what they felt was necessary to overcome poverty. On the basis of the submissions made at the hearings, SANGOCO made a number of recommendations about changes to government's current policies that could reduce poverty (Cawthra and Kraak, 1999).

The Speak Out On Poverty hearings were highly significant as an example of South African NGOs giving a voice to the experiences and aspirations of the poorest and most marginalised sectors of society. However, a major weakness of the process is that the policy recommendations that came out of the hearings have largely failed to have any impact on government policy. At NGO Week 2000, a number of representatives from NGOs expressed the view that SANGOCO had not done enough to carry through the messages from the poor through to the government.

CHAPTER 8: CONCLUSION

The central question that this dissertation sought to address was: What impact have the changes South African NGOs have experienced in the transition period since 1994 had on their capacity to be effective vehicles for enabling people, particularly poorer people, to participate in development processes that affect them?

It is clear that the transition from apartheid to political democracy in South Africa since 1994 has brought significant changes to the NGO sector. Many NGOs have been forced to close, while others have had to scale down their activities, as a result of a new and difficult funding environment. One consequence has been a trend towards greater commercialisation of the sector, as NGOs increasingly seek to generate income themselves. Many NGOs have changed the foci of their work as part of the move to become more commercial, or in response to changing donor funding priorities. Many NGOs have lost key staff to the government or private sector. The sector as a whole has also suffered a crisis of identity since 1994. The objective of political liberation has been achieved, while the new government has subsumed many of the delivery functions NGOs used to perform. This has left the sector unsure of what its role in post-apartheid South Africa should be. The outcome of all these factors is that South African NGOs have been largely marginalised from playing a leading role in development in post-apartheid South Africa.

It is against this background that this dissertation argued that the capacity of South African NGOs to promote participatory development since 1994 has been limited. At the micro-level of NGO projects and programmes, the difficulties all NGOs face in trying to promote genuine community participation are amplified in the South African context by the many capacity constraints NGOs have confronted in the transition, such as lack of funds and the pressure on NGOs to become more financially self-sustaining and commercial. While the findings of the survey did not demonstrate conclusively that this has had a negative impact on participation, international and anecdotal evidence suggests that such pressures on NGOs can shift their focus away from poorer communities and reduce the time and resources available for participatory processes. Other constraints on NGOs' abilities to promote community participation identified in the research include a high level of staff turnover, and inadequate training and awareness of staff in participatory methods.

The case study of BESG illustrated many of the problems NGOs confront in attempting to foster community participation in their work. While BESG has fared better than most NGOs in the transition since 1994, and is an NGO that has made participation a central objective of its work, it has still struggled with the issue of how to enable people to participate in, and be empowered by, development processes.

The dissertation also argued that South African NGOs have faced numerous constraints in attempting to promote participatory development at the macro level of influencing government policy. The constraints identified at this level were the low levels of co-operation and coordination between NGOs in addressing issues of common interest, strained and contradictory relationships with the state, and the weakness of the national coalition of NGOs.

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APPENDIX 1: COVER LETTER

Dear Director

The School of Development Studies (Centre for Social and Development Studies) at the University of Natal has recently launched a study on South African NGOs as part of the Centre's research project on donor influence on development in Southern Africa.

The research explores the ways in which the nature of South African NGOs has been affected by the various changes that have taken place in the NGO sector since 1994. In particular, the research focuses on how local NGOs have experienced changes in funding and how this has impacted on their work and their relationships with the communities they serve.

We are conducting a survey of NGOs throughout South Africa to learn about the views and experiences of local NGOs on this topic. With so little research having been conducted in this area, your participation will contribute to a greater understanding of the South African NGO sector and the challenges it currently faces. The results of the study will therefore be of benefit to your organisation and to the wider NGO community. Findings from the survey will be made available to all participating NGOs on request.

Enclosed is a copy of the questionnaire that includes questions about: the characteristics of your organisation; changes your organisation has undergone in the last five years; and its relationship with donors, the government and the communities it serves.

The number of NGOs selected for the survey sample is relatively small. Your responses will therefore represent those of many other similar NGOs. For this reason, it is very important that you complete the questionnaire as fully and as honestly as possible. **Your responses will be kept strictly anonymous.**

Please take the time to complete the questionnaire and return it in the enclosed self-addressed envelope ASAP. Alternatively, it may be faxed to the number given below. It would be very helpful to have your completed questionnaire returned to us by **October 10, 2000**. Should you prefer, a telephonic interview based on the questionnaire could also be arranged.

We hope that you find the questionnaire interesting and thought provoking. Should you have any queries or comments, please do not hesitate to contact me on (031) 260 2246, via e-mail, smitht2@nu.ac.za, or fax (031) 260 2359. Thank you for your time and cooperation. It is very much appreciated.

Yours faithfully

Terence Smith
School of Development Studies, University of Natal, Durban, 4041

APPENDIX 2: QUESTIONNAIRE

Thank you for taking the time and effort to complete this questionnaire. Please answer the questions in the spaces provided. For questions with YES/NO options, please place a tick next to your choice. Please attempt to answer all questions as fully and as honestly as possible. **All responses will remain strictly anonymous.**

SECTION A: PROFILE OF THE ORGANISATION

1. Contact details

Name of organisation: _____

Address: _____

Tel: (_____) _____ Fax: (_____) _____

E-mail: _____

Name of respondent: _____

Position in the organisation: _____

2. Would you categorise your organisation as an (please tick all that apply):

NGO _____

CBO _____

Trust _____

Foundation _____

Network _____

Section 21/22 company _____

Other (please describe): _____

3. When was your organisation established? _____

4. Please briefly describe the work that your organisation does and who its main target groups are:

5. How many staff members does your organisation employ (countrywide)? (please include all staff who are regularly paid by your organisation):

Office: _____ Field: _____

6. What is your organisation's total operating budget for the current year? (please tick appropriate category):

Less than R200 000 _____

R200 000 – R500 000 _____

R500 000 – R1m _____

R1m – R 2.5m _____

R2.5m – R5m _____

More than R5m _____

7a. Which of the following are sources of funding for your organisation? (please tick all that apply):

Foreign donors:

- Bilateral (e.g. DFID, USAID, SIDA) _____
- Multilateral (e.g. EU, UNDP) _____
- Private agencies (e.g. Oxfam, Christian Aid) _____
- International corporations _____

South African government:

- Government departments _____
- TNDT/NDA _____
- Other (please describe): _____

South African companies: _____

Other South African NGOs: _____

Self-generated funds: _____

Investments: _____

Membership fees: _____

Donations: _____

Other (please describe): _____

7b. Which of the above is your organisation's *largest* source of funding? (please give an estimation, as a percentage, of the proportion of total income derived from this source):

Source: _____ Approximate % of total income: _____ %

SECTION B: ORGANISATIONAL CHANGES

8a. Over the last five years, has the *level* of *international donor* funding to your organisation:

(please tick the *most appropriate* option)

Decreased steadily? _____

Increased steadily? _____

Remained roughly constant over the whole period? _____

Remained constant initially but declined in the last two years? _____

Declined initially but increased in the last two years? _____

Other (please describe any other trend): _____

8b. If the level of *international donor* funding to your organisation has increased or decreased in the last five years, please give an estimation, as a percentage, of how much or how little:

The level of donor funding has *increased* by approximately _____ % since 1994

The level of donor funding has *decreased* by approximately _____ % since 1994

8c. Please describe any other changes in your organisation's relationship with *international donors* over the last five years (e.g. new donor requirements, changes in donor priorities etc):

9. Over the last five years, has the *level of South African government* funding to your organisation: (please tick the *most appropriate option*)

- Decreased steadily? _____
- Increased steadily? _____
- Increased only recently? _____
- Increased, but mainly because of government contracts? _____
- Other (please describe any other trend): _____

10a. Has your organisation adopted any of the following measures to become more financially self-sustaining? (please tick all that apply):

- Contracting to the government _____
- Contracting to private sector companies _____
- Contracting to other NGOs _____
- Consulting _____
- Selling other services (e.g. training) _____
- Selling products (e.g. educational materials) _____
- Started a business (e.g. conference centre, providing accommodation) _____
- Others (please describe): _____

10b. What proportion of your organisation's total income is *self-generated*? (please give a percentage estimate):

Approximately _____ % of total income is self-generated

11. Have you recently introduced charges for services you previously provided to communities for free?

YES _____ NO _____

If YES, please state which services you charge for:

12. Over the last five years, has the *number of staff employed* by your organisation: (please tick the *most appropriate option*)

- Increased? _____ by approximately _____ % since 1994
- Decreased? _____ by approximately _____ % since 1994
- Remained roughly the same? _____

13. Has the *operational focus* of your organisation's work changed over the last five years?

YES _____ NO _____

If YES, please explain *how* and *why*:

14. What is the single largest problem currently facing your organisation?

SECTION C: RELATIONSHIP WITH COMMUNITIES

15. Please describe any ways in which you think the relationship between your organisation and the communities it serves may have changed over the last five years?

16. Do you think your organisation practices *more* community participation or *less* community participation in its work now than it did five years ago? (please tick the most appropriate option):

- More community participation _____
- Less community participation _____
- Don't think there has been a significant change _____

If you think your organisation practices *more* community participation or *less* community participation now than previously, please explain *why*:

17. Do you think any of the following factors *reduce* your organisation's ability to work in a participatory manner? (please tick all that apply):

- Financial resources of your organisation _____
- Pressures to increase your organisation's financial self-sustainability _____
- Donor requirements (e.g. reporting and financial procedures, time frames etc) _____
- Government requirements _____
- Staff numbers _____
- Staff skills, attitudes and training _____
- Time pressures to deliver _____
- Factors within communities themselves _____
- Others (please describe): _____

Please explain *why* for the options that you ticked:

18. Does your organisation place greater emphasis on delivering a *product* OR the *process* through which the product is delivered? (please tick the most appropriate option):

- The *product* is most important in our work _____
- The *process* is most important in our work _____

Please explain your answer:

SECTION D: PROGRAMME MANAGEMENT

19. Has your organisation undergone a shift away from *project-based* work in recent years?

YES _____ **NO** _____

20. Has there been a shift towards *shorter-term* or *longer-term* projects or programmes in your organisation's work in recent years?

Shift towards *shorter-term* projects **YES** _____ **NO** _____

Shift towards *longer-term* projects **YES** _____ **NO** _____

21a. Does your organisation use any of the following management techniques? (please tick all that apply):

Strategic planning and processes _____

Logical Framework Analysis _____

ZOPP _____

External monitoring and evaluation _____

Internal monitoring and evaluation _____

Community-based monitoring and evaluation _____

Participatory Rural Appraisal _____

21b. Where did your organisation obtain information and expertise in the use of these techniques? (please tick all that apply):

Donors _____

Training organisations _____

New staff _____

Other NGOs _____

Other (please describe):

21c. Is the use of any of the above techniques a requirement of donors?

YES _____ **NO** _____

If YES, please state which techniques:

21d. Do you think the use of any of the above techniques (or any other management techniques that your organisation uses) *reduces* your organisation's ability to be participatory in its work? **YES** _____ **NO** _____

If YES, please state which technique/s and *how* you think they reduce participation:

22. Do you have any other comments about the issues covered in this questionnaire or about any other issues that you think are important?

23. If needed, can we contact you for clarification of any of your responses or for a follow-up telephonic interview? **YES** _____ **NO** _____

Thank you once again for your participation and the information you have provided. It is greatly appreciated.

If you have any queries or comments about the questionnaire, please do not hesitate to contact me at (031) 260 2246, or e-mail smitht2@nu.ac.za.

Please fax the completed questionnaire to (031) 260 2359 (ATT: Terence Smith) OR post it ASAP to the following address:

Terence Smith
School of Development Studies
University of Natal, Durban, 4041

APPENDIX 3: ADDITIONAL TABLES

Trend	No. of NGOs	Percentage
More community participation now than five years ago	16	70%
Don't think there has been a significant change	5	22%
Less community participation now than five years ago	1	4%
Not answered	1	4%
TOTAL	23	100%

Emphasis	No. of NGOs	Percentage
The product is most important	2	9%
The process is most important	11	48%
Both are equally important	7	30%
Internal tensions over product vs process	1	4%
Not answered	2	9%
TOTAL	23	100%

Factor	No. of NGOs	Percentage
Financial resources of the organisation	13	57%
Pressures to increase financial self-sustainability	10	43%
Staff numbers	9	39%
Factors within communities themselves	9	39%
Time pressures to deliver	8	35%
Donor requirements	7	30%
Government requirements	7	30%
Staff skills, attitudes and training	6	26%
Not answered	3	13%