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NGOs, States, and Donors Revisited: Still Too Close for Comfort?

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Summary. — Serious questions remain about the ability of NGOs to meet long-term transformative goals in their work for development and social justice. We investigate how, given their weak roots in civil society and the rising tide of technocracy that has swept through the world of foreign aid, most NGOs remain poorly placed to influence the real drivers of social change. However we also argue that NGOs can take advantage of their traditional strengths to build bridges between grassroots organizations and local and national-level structures and processes, applying their knowledge of local contexts to strengthen their roles in empowerment and social transformation. Crown Copyright © 2014 Published by Elsevier Ltd. This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by/3.0/>).

Key words — NGOs, civil society, poverty, development, foreign aid

1. INTRODUCTION

In 1996 we wrote in *World Development* about our concerns regarding the impact of foreign aid on non-governmental organizations, arguing that despite donors investing heavily in development NGOs in order to strengthen good governance agendas and find an efficient channel for filling gaps in service delivery, these comparative advantages were based on ideological grounds rather than evidence. In fact, the increased dependence of NGOs on donor funding served to undermine the strengths that justified an increased role for NGOs in development (Hulme & Edwards, 1996). That these questions remain pertinent today was underlined when our recent working paper on the subject (see Banks & Hulme, 2012) was criticized by Duncan Green on his *From Poverty to Power* blog for being a ‘generalized and ill-informed attack on NGOs’. The debate that followed, with contributions from academics, NGO practitioners and interested members of civil society, was picked up by an article on *The Guardian’s Global Development* website,¹ which asked whether a fault-line was deepening between NGOs that are increasingly vocal about the problems they face and those who (at least publicly) remain passive or defensive.

Clearly we are at a point in the NGO debate at which serious questions are being raised about the ability of NGOs to meet their long-term goals of social justice and transformation at a time when the development sector is narrowly focused on short-term results and value for money. After two decades of research we are better-positioned to revisit these issues given the expanding depth and breadth of academic knowledge about NGOs, but we have yet to find a forum through which to bridge the gap that exists between NGOs and academics on this contentious subject: a space in which these issues can be discussed, debated, and deliberated through a process of collaboration and creative dialog, rather than through collision, avoidance, or mutual suspicion.

The NGO landscape has transformed dramatically in scale and profile since NGOs became prominent actors in development after the end of the Cold War. NGOs are bigger, more numerous and sophisticated, and receive a larger slice of foreign aid and other forms of development finance than ever

before (AbouAssi, 2012; Africa, 2013; Brautigam & Segarra 2007; Brown, Brown, & Desposato, 2007b; Clarke, 1998; Fisher, 1997; Thomas, 2008). Other global transformations since the late 1990s have also influenced the capacities and strategies of NGOs. Rapid globalization and the spread of market liberalizing reforms across the Global South have led to the increasing influence of non-state actors on development policy and practice. We have also witnessed a staggering rise in inequality and the concentration of economic and political power in the hands of a small proportion of the world’s richest countries and people (Houtzager, 2005). Alongside the roll-back of welfare states we have seen the emergence of emerging powers (Brazil, India, and China), emerging middle powers (South Africa, Turkey, Indonesia, and others), large philanthropists and private donors (Herzer & Nunnenkamp, 2013) and new actors and alliances for development (Richey & Ponte, 2014).

Elsewhere we discuss what these changes have meant for development, arguing that the entrance of new development actors remains a mask for maintaining the dominance of free market capitalism² and that goals of transformative social justice remain far-removed (Banks & Hulme, 2014). Here we return to our earlier questions to see whether these changes have enabled NGOs to better contest hegemonic corporate interests and drive structural change. The arguments presented

* The writers were inspired to write the article after a recent working paper by Banks and Hulme was criticized on a widely read blog, provoking discussion and debate in both the comments that followed and in the newspaper article that picked it up. It seemed like a timely point at which to take stock of NGOs and their place in the aid industry, to see how things have changed (or not) since Hulme and Edwards’ ‘Too Close for Comfort’ was originally published in *World Development* back in 1996. The authors would like to thank all those who shaped the direction of this article by their comments in response to the earlier debate, as well as Dan Brockington for comments on an earlier draft. We would also like to thank three anonymous referees whose comments helped us to refine our argument considerably. Nicola Banks is an ESRC Future Research Leader, grant reference number ES/K009729/1. Final revision accepted: September 27, 2014.

here are based on an up to date literature review of NGOs and their activities by three researchers who have been teaching, researching and/or working in the NGO sector since the 1996 paper was published. The literature on NGOs and civil society has expanded dramatically in this time, but we believe its general direction supports our initial concerns: as a result of internal and external pressures, most NGO efforts remain palliative rather than transformative. Earlier predictions that the gradual erosion of aid would liberate NGOs and allow them to return to their earlier roots have not been realized, and many seem to lack the urgency, foresight, and courage to move out of the comfort zone in which they have found themselves (Fowler, 2000a, 2000b). However, NGOs are only one, albeit important, actor in civil society. When it comes to realizing goals of empowerment, social justice, and transformation we must be careful to distinguish between NGOs and other civil society organizations such as labor unions or social movements which act in, and are affected by, the politics of development in different ways (Clarke, 1998; Fisher, 1997; Mercer, 2002; Pearce, 1993; Uphoff, 1993). While we do not attempt to solve the unanswerable question of defining development NGOs in a way that captures the heterogeneity that exists across them, we believe that distinguishing between intermediary NGOs and membership-based civil society organizations is the key differentiation to make in understanding the limited progress that development NGOs have made in the arena of social change.

In illustrating this we explore three key issues that have been drawn into sharper focus and help to explain why there has been so little change in the NGO community over the past two decades. The first concerns the weak roots of the majority of NGOs in civil society in the countries they work in and in which they generate resources, a weakness which greatly limits their impact and influence over the drivers of social change. The second concerns the rising tide of technocracy that has swept through the world of foreign aid over the last 10 years, which has driven NGOs as “clients” to work on a limited set of agendas biased toward service-delivery and “democracy-promotion” instead of the deep-rooted transformation of politics, social relations, markets, and technology. In doing so it has threatened to erode the vibrant civil society necessary for structural change (Choudry & Kapoor, 2013). The third is the national and international political environments which continue to constrain NGO activities. We also discuss how NGOs have tried to overcome some of these obstacles through ‘strategic stealth’, building partnerships with governments and other NGOs in order to build voice and illustrate alternative forms of service delivery. We conclude by exploring possibilities for using the traditional strengths of NGOs as intermediaries to build bridges between more locally rooted grassroots organizations and local and national levels, and to apply their knowledge of local contexts in an increasingly inter-connected world.

The classification problem of NGOs on theoretical and empirical fronts (Vakil, 1997) remains. While generalizing about NGOs as a “sector” is problematic, we believe that some degree of generalization is inevitable since the rise to prominence of development NGOs has itself been based on a set of general arguments about their strengths and distinctive competences as providers of ‘development alternatives’ that offer more people-centered and grassroots-driven approaches to development (Drabek, 1987). If we can justify a sector on the basis of shared strengths and objectives, we must also be able to explore and assess its achievements in this way (Bebbington, 2004; Tvedt, 2006).³ This means that in our discussion of NGOs we refer to development NGOs whose goals

go beyond service delivery to include transformative missions of empowerment and social justice.⁴ One important distinction we need to make when assessing transformative potential is between development NGOs and membership-based organizations. As the following section outlines, NGOs lack some of the defining attributes of membership-based organizations. Despite the important role they continue to play, this has limited the role that NGOs can play as countervailing powers against dominant state and market interests.

2. NGOS AND CIVIL SOCIETY

When it comes to safeguarding, protecting, and promoting the position of marginalized or excluded groups, civil society – the space in which people mobilize to bargain, negotiate, or coerce other actors in order to advance and promote their interests – is key. The global development agenda has shifted markedly over the past three decades, placing different emphases on the relative roles of the state, the market, and civil society according to the ideologies underpinning the development agenda at each specific time (Hulme, 2013). Large-scale reductions in public expenditures and state-provided services alongside displeasure at the perceived failures of ‘top-down’ development opened up new spaces for NGO growth and expansion in the 1980s and 1990s. Viewed favorably for their ability to connect with beneficiaries and their role as innovators in working with the poor, NGOs became the new “sweet-hearts” of development (Barr, Fafchamps, & Owens, 2005; Gill, 1997; Hearn, 2007; Kamat, 2004; Lewis, 2005; Murray & Overton, 2011).

The withdrawal of structural adjustment programs from the mid-1990s onward marked another shift, returning the state’s role in development back to center stage, but this time with an explicit focus on ‘good governance’. While this ‘re-governmentalization’ of aid drew attention away from NGOs, the language of democracy, human rights, participation and “strengthening civil society” that accompanied it consolidated their role as proxies for broader processes of citizen engagement that would enable them to act as a countervailing power against local and national governments (Lewis & Kanji, 2009; Murray & Overton, 2011). As we will discuss, the extent to which NGOs have opened up this space remains questionable given the difficulties they face realizing their civil society functions.

Although recognizing the need for a vibrant civil society, the donor community’s narrow emphasis on NGOs and ‘results’ has curtailed its effectiveness when it comes to facilitating transformative development. Aid has enabled NGOs to expand access to services among marginalized and excluded groups, but this has been through channels that are weakly connected to deeper processes of political, economic, and structural change in which marginalized or excluded groups search for alternative ways of organizing the economy, politics, and social relations (Mercer, 2002; Mitlin, Hickey, & Bebbington, 2007; Rahman, 2006; Wiktorowicz, 2002). Despite using their identity as civil society organizations to consolidate their legitimacy, NGOs in Bangladesh, for example, have increasingly divorced themselves from their civil society roots (Lewis, 2004; Rahman, 2006; White, 1999). In the growth of funding to NGOs in order to foster a ‘vibrant’ civil society, civil society has been treated as political magic bullet without a nuanced understanding of how it fits into a more complex network of relationships with the state, political parties, and citizens within diverse country contexts (Sabatini, 2002).

The aid industry's narrow definition of civil society conflates the term with professional NGOs who can master the donors' terminology and ways of working, and who can satisfy strict accountability processes to governments, Northern NGOs, philanthropists, and other non-traditional donors (Fowler, 2000a, 2000b; Mohan, 2002; White, 1999). Despite their perceived advantages as grassroots-oriented 'democratizers of development' (Bebbington, 1997, 2005), NGOs face significant constraints and contradictions in their ability to strengthen civil society given the pressures they face to be non-political, their weak roots in society, the pressures they face to be accountable "upward" to donors rather than "downward" to beneficiaries, and their focus on short-term projects rather than long-term structural change (Dicklitch & Lwanga, 2003; Fowler, 2000a, 2000b; Fyvie & Ager, 1999; Jalali, 2013; Lang, 2013; Mohan, 2002). These pressures have enabled NGOs to excel in their service delivery function. But as we argue here, this has come at the expense of their civil society function, which remains key to NGO legitimacy. It is these characteristics that separate most NGOs from other forms of indigenous civil society entities, as Table 1 illustrates. We refer to as membership-based organizations (MBOs) more traditional forms of civil society organizations such as social movements, political, or religious institutions, trade unions, cooperatives, small self-help groups, and campaigning organizations, among others (Chen, Jhabvala, Kanbur, & Richards, 2007). Research on NGOs has been limited when it comes both to the experiences of social movements and the 'solidarity NGOs' that support them, the latter which tend to be smaller, less formal, and more politically radical than most NGOs involved in international development (Andrews, 2014).

As Table 1 highlights (admittedly using distinctions that are drawn too sharply in order to emphasize the point), NGOs are fundamentally different to progressive indigenously formed MBOs. Their civil society functions are central to MBO activities, which often challenge the state and other vested interests. They are formed and gain strength from their grassroots membership, and are accountable to their members in terms of their strategies, programs, and activities, all of which serve the fundamental purpose of leveraging improved terms of recognition for group members and advancing their interests. MBOs can respond to the needs and aspirations of their members because they are accountable both inward (leaders are elected) and outward (leaders represent their constituencies) (Chen *et al.*, 2007). In contrast, NGOs lack the same ability to act as a countervailing power given their lack of membership, representation, and weak links to grassroots constituents. As we expand on in our concluding section, the question NGOs need to ask themselves is how they can better situate themselves to work in support of MBOs in their efforts to act as a countervailing power to more powerful actors.

More radical perspectives argue that increasing support for NGOs and the subsequent 'NGOization' of development has served to undermine local and national movements in

complicity with state and private sector interests (Choudry & Kapoor, 2013). The need to act in accordance with the rules of the 'development marketplace' means that NGOs are closer in kind to socially responsible market actors than to civil-society organizations. Consequently, the dramatic expansion of the NGO sector over the past three decades has rarely been accompanied by a stronger, more vibrant civil society that can generate transformative change by tackling issues of power and inequality head-on. Whether the NGO explosion is an indicator of revitalized democracies across the globe, or is undermining the very foundations of representative democracy they seek to promote is therefore at question (Lang, 2013). In Pakistan, Bano (2008, 2012) reveals how and why donor financing breaks down the institutions for collective action that it claims to promote by eroding the attributes and characteristics that generate membership and support for the organizations. She argues that in their quest to strengthen civil society organizations, donors have used incorrect assumptions about why people choose to cooperate in groups, which include collective interest, trust, and ultimately, faith in the group leadership's intentions, motivations, and commitments to the cause.⁵

Donor funding risks de-linking civil society groups from the broader political and party system and transforming confrontational movements into consensus movements with weak roots in the community (Jalali, 2013). While local communities are more likely to judge the organizations they support according to their causes and leadership, the current aid architecture prioritizes particular, tangible structures built around formal, professionalized organizations (Lewis, 2013; Smits & Wright, 2012). This subsequent depoliticization of civil society organizations encourages them to adopt moderate positions and professionalize rather than to maintain deep linkages with social movements and other forms of MBO (Carothers & de Gramont, 2013). Case studies in Latin America and Indonesia highlight that this means despite regarding marginalized people as their constituency, membership of democracy-promoting NGOs remain confined to educated staff members rather than volunteers or activists, weakening their societal links and eroding prospects for downward accountability (Bebbington, 1997; Kamstra, Knippenberg, & Schulpen, 2013; Lang, 2013; Sabatini, 2002).

Paradoxically, therefore, civil society may be best nurtured when donors do less: stepping back to allow citizen groups themselves to dictate the agenda and to evolve structures that suit their concerns and contexts (Edwards, 2011a). This does not mean that NGOs have no role in promoting citizen action, but it does mean that they must step back and see themselves in a different light in relation to this role, becoming more supportive of the independent action of other, more embedded groups in the societies where they work and raise resources. The next section further explores NGO legitimacy through assessing their ability to live up to their comparative advantages.

Table 1. *Contrasting orientations and attributes of MBOs and NGOs*

	Membership-based organizations	Non-governmental organizations
Relationship with the State	Oppositional	Accommodating
Constituents	Members	Staff
Accountable to	Members	Donors
Program design	Demand-side approach	Supply-side approach
Community participation	Political	Non-political
Strategy	Development as leverage	Development as service delivery
Development ideology	Development as social, political and economic change	Project-based and target – oriented 'Development'
Tackling/addressing	Root causes of poverty	'Symptoms' of poverty

3. TECHNOCRACY AND TRANSFORMATION

Are NGOs purveyors or facilitators of ‘development alternatives’? To answer this question requires a definition of ‘development’. As we have seen, the initial ‘rise of NGOs’ was partly based on their assumed ability to fill gaps in service-delivery as well as on their ability to challenge unequal relationships and pursue transformative agendas through their people-centered approaches. We can call these their “service delivery functions” and their “civil society functions” respectively (with individual NGOs displaying a mixture of these two functions to varying extents). The visions and missions of NGOs – which some have referred to as their ‘moral crusade against poverty’ (Makuwira, 2014) – usually focus more on the latter, particularly their desire to ‘empower’ poor and marginalized groups through their activities. But in part because of their weak civil society roots and in part due to external pressures to act in this way, there is a mismatch between these visions and the ability of NGOs to influence the drivers of social change through their programs.

Constraints from all sides have led many NGOs to prioritize their role as service providers at the expense of their civil society functions. This has led to a prolonged crisis in which NGOs have found themselves increasingly pulled further away the poor groups that they claim to represent and in whose name many now raise huge funds (Wallace & Porter, 2013). Many authors – and some NGOs and donors themselves – have subsequently revisited the comparative advantages on which their legitimacy rests (Edwards, 2008; Holmen & Jirstrom, 2009; Mitlin *et al.*, 2007; Rahman, 2006; Shutt, 2009; Smits & Wright, 2012; Wallace & Porter, 2013). As we discuss in the following sections, high levels of dependency on external funding and the pressures of working within restrictive national rules and regulations act as severe constraints on the transformative potential of NGOs.

(a) *Grassroots orientation*

Grassroots linkages and close proximity to beneficiaries are seen to give NGOs a comparative advantage in providing effective, targeted aid and ensuring that programs are designed in a bottom-up manner reflecting local contexts, needs, and realities and are not subject to commercial or political capture (Koch, Dreher, Nunnenkamp, & Thiele, 2009). Given the centrality of this to their perceived legitimacy, early proponents forewarned NGOs not to “forget their grassroots origins and links, the basis of their greatest strength” (Drabek, 1987, p. ix). This, however, remains incompatible with imperatives of organizational survival and growth in an aid architecture dominated by a heavy reliance on donor funding. This has led to a strong shift in relationships between NGOs and donors, the state and their beneficiaries, which continues today. Despite the close relationship between NGOs and their beneficiaries being the most salient source of NGO legitimacy and of facilitating transformative outcomes, this is generally what they set aside in favor of operational efficiency and policy influence and in response to donor requirements (Kilby, 2006; Lang, 2013).

Contrary to popular perceptions, NGOs face significant difficulties in tailoring programs to local needs. A competitive funding environment means that their strategies must align with donor priorities and interests (Ebrahim, 2003; Elbers & Arts, 2011; Epstein & Gang, 2006; Fowler, 2000a, 2000b; Gill, 1997; Mohan, 2002; Tvedt, 2006). In Malawi, donor prioritization of HIV/AIDS has led to the decline or disappearance of other priorities – much to the frustration of many NGOs there (Simon Morfit, 2011). Likewise, AbouAssi

(2012) explores how environmental NGOs in Lebanon shifted their programmatic focus to adapt to changing donor priorities.⁶ In Tanzania, too, Levine (2002) finds strategic shifts among national conservation NGOs in line with priorities of international development agencies. Tensions between the different priorities of donors and the Zapatista movement in Mexico also illustrate how donor requirements prevent NGOs from prioritizing the grassroots. As the movement grew stronger, it demanded greater participation in program design and oversight and a shift in priorities away from gender to economic development (Andrews, 2014). NGOs who were unable to meet these demands (because they lacked alternative funding sources) were forced to drop out of their support role as a result of donor pressures to keep programs aligned with their priorities (Andrews, 2014). As Bebbington (1997, p. 1759) highlights, the external determination of local agendas implies a shift in the nature of NGOs, ‘turning [them] – at least within the realms of these contracts – into a subcontracted development consultancy’. Development financing also has a strong geographical influence. Cross-country studies of international NGOs (INGOs) find that neither poverty nor governance explains their choice of location (Koch, 2007; Koch *et al.*, 2009). Instead, INGOs become tightly clustered in countries where donors are located, resulting in and reinforcing the ‘donor darling–donor orphan’ divide. Convenience in terms of access to beneficiaries, donors, and elite goods has also been found to have a strong influence on NGO location in Kenya (Brass, 2012a) and Mexico (Andrews, 2014).⁷

The strong focus of donors on material deprivation and health has pushed NGOs away from a broader definition of development that recognizes the centrality of social and economic transformations in capabilities and capacities (Chang, 2011). This means that NGOs have been incentivized to pursue their service delivery functions at the expense of their civil society functions. Given their dependence on donor funds increasingly demanding measurable ‘results’, NGOs must prioritize their functional accountability to donors (in terms of targets and outputs) over their broader goals of empowerment for poor or marginalized groups. We see, therefore, that the aid system continues to overlook the systems, processes, and institutions that reproduce poverty and inequality, and has effectively depoliticized and professionalized development (Atack, 1999; Lewis, 2013; Mitlin *et al.*, 2007; Power, Maury, & Maury, 2002). Increasing professionalization has led to multiple undesirable consequences. Participatory approaches have been eroded or depoliticized, cultural sensitivity has been reduced, local ties have been weakened, and ultimately, core values have been diluted as NGOs become the implementers of donor policy rather than independent actors (Elbers & Arts, 2011). As Balboa (2014) details in Papua New Guinea, the attributes that make transnational NGOs successful in mobilizing large sums of funding and influencing policy at the same time set them up for failure when it comes to creating lasting, meaningful, and context-specific change on the ground. The paradox lies in the fact that the global capacities they require to reach these levels of success draws them away from the local bridging capacities they need for successful operations on the ground (Balboa, 2014). Decades on from recognizing the important role of grassroots-driven and participatory development programs, this explains why successes have rarely stretched beyond expansion in service delivery to build capacities for collective action (World Bank, 2012). Models that assume that poverty can be eliminated by increased access to resources have little impact on the underlying structures and processes that underpin unequal access in the first place.

Another school of thought maintains that despite the difficulties they face fulfilling their civil society functions, NGOs can act as ‘schools of democracy’ by providing resources and opportunities for association and collective action, mitigating societal conflicts, expanding political participation and providing channels of interest representation (Boulding, 2010; Brown, Brown, & Desposato, 2007a; Clarke, 1998; Fearon, Humphreys, & Weinstein, 2011; Heinrich, 2001; Moehler, 2010). This goes back to Bratton’s (1989) arguments that NGOs boost civil society through their participatory approach, assuming a linear model in which NGOs provide a channel for representing excluded groups and integrating them into political systems (Heinrich, 2001; Mercer, 2002; Thomas, 2008).

Academic research has traditionally overlooked the political character of NGOs given their focus on their activities as social development agencies (Clarke, 1998). A body of more recent evidence assesses the positive impact of NGOs on governance outcomes (Boulding, 2010; Boulding & Gibson, 2009; Brown *et al.*, 2007a, 2007b; Fearon *et al.*, 2011; Moehler, 2010). Studies in Brazil, Bolivia, and South Africa highlight the role of NGOs in influencing democracy. Evaluations of a community development program in Bolivia and Brazil, for example, conclude that NGO programs promote democracy through increasing community-level interactions, promoting social capital, and influencing voting behaviors (Boulding & Gibson, 2009; Brown *et al.*, 2007a, 2007b). Other research in Central America, however, highlights that social capital does not automatically translate into political capital, which is a necessary condition for influencing democratic outcomes (Booth & Richard, 1998). In Bolivia, Boulding (2010) finds that NGO activity is associated with increased protests in weakly democratic settings, but has no significant influence on voter turnout (Boulding, 2010).

These mixed findings mean that we must exercise caution in drawing conclusions, paying attention to the historical context at play and the mechanisms through which democratic change is promoted. Studies which illustrate improved democratic outcomes in Brazil, for example, took place in a region that benefited from a relatively open political environment and a strong history of leftist groups and grassroots mobilization. Program design adopted a participatory hands-off approach, leaving administrative and creative considerations to local actors (Brown *et al.*, 2007b).⁸ Research in South Africa, where civil society organizations have historically operated in opposition to apartheid, also highlights the democracy-promoting role of NGOs (Hearn, 2000; Heinrich, 2001). Looking closely at the processes through which role is activated, however, we see an important distinction between NGOs and MBOs when it comes to meeting their civil society functions. Despite referring to the full sample of civil society organizations in Heinrich’s (2001) study of NGOs in South Africa as ‘NGOs’, one-third of the sample were membership-based organizations relying heavily on voluntary staff (Heinrich, 2001). Without the inward accountability that such membership enables, the study argues that, “their role as schools of democracy does not relate so much to their members, as to stakeholders and clients” (Heinrich, 2001, p. 8). This is further illustrated if we compare the South African experience to neighboring countries. Few civil society organizations in Eastern and Southern Africa (outside South Africa) have mass membership or democratic structures that enable inward accountability, and this has led to limited success for NGOs in challenging state–society relations and promoting democracy across these regions (Fowler, 2008; Hearn, 2000).

Even those studies that argue for the democracy-promoting role of NGOs highlight that this is dependent on an enabling environment, a history of grassroots mobilization, inward accountability to members, and politicized forms of participation. Where these contexts and attributes are not present, studies find the opposite: in many cases NGOs have struggled to promote democratic outcomes through their activities (Clarke, 1998; Crouch, 2004; Hearn, 2000; Lewis, 2013; Rahman, 2006; Scholzman, Verba, & Brady, 2013). Despite the proliferation of NGOs in Bangladesh over several decades (including several large indigenous NGOs), the country has witnessed the gradual erosion of democratic norms and institutions (Lewis, 2004; Rahman, 2006; Stiles, 2002). Kabeer, Mahmud, and Castro (2012) highlight that impressive developmental outcomes have not been accompanied by improved governance outcomes because of increasing homogenization of NGOs around service delivery and a subsequent shift away from social mobilization.⁹ In the US, Scholzman *et al.* (2013) draw upon 25 years of data to highlight that despite a proliferation in organized interest associations, political inequalities in voice and representation persist (Scholzman *et al.*, 2013). Crouch (2004) discusses the emergence of ‘post-democratic societies’, where the institutions of democracy may remain, but the ability of powerful groups to distort democracy has meant that these institutions are becoming mere shells, leading to disillusionment and apathy among the citizens whom democracy was meant to empower. Rather acting as a countervailing power to dominant state and private sector interests, democracy in liberal states has created adherence to the rules of the game, allowing exploitative social, political, and economic systems to continue (Clarke, 1998; Hearn, 2000).

The ability of NGOs to promote democracy is dependent on processes that begin with and gain strength from grassroots mobilization and associationalization. These processes hinge on participation from, and accountability to, members. When it comes to participation, however, the donor community has embraced a ‘democratic development paradigm’ that represents a linear model through which participation for marginalized groups leads to representation and ultimately empowerment (Heinrich, 2001; Thomas, 2008). We have to look beyond this linear assumption to explore the extent to which NGOs are actually connected to the groups they claim to represent, and to which their programs and activities are directed (Harding, 2013; Wallace & Porter, 2013). A recent 10-year study of ‘participation’ in World Bank projects, for example, highlights that while fostering community participation has achieved success in service delivery, it has been less effective in reducing poverty or building capacity for collective action (World Bank, 2012). Participation can only constitute political action when it attempts to change the underlying structures and processes underlying limited and unequal access.

Alongside weak links with the grassroots where they lack a strong membership base, NGOs are also constrained by state control of the regulatory environment. This shapes the space available to civil society organizations and, along with it, the limits to what can be achieved (Houtzager, 2005). A heavy focus on service delivery among NGOs must also be seen as a response by NGOs to political climates hostile to civil society activism (Rahman, 2006). The regulatory environments facing NGOs across the Global South commonly provide a hostile, fast-moving, and complex challenge to their activities (Carothers & de Gramont, 2013; Jalali, 2013; Wiktorowicz, 2002). Where governments equate civil society with political opposition and create regulations to dampen or repress civil society, NGOs face severe limitations on their ability to act

as agents of progressive social change. In Ethiopia, for example, regulations forbid NGOs receiving more than 10% of their income from abroad from doing any form of advocacy and human-rights work (Lang, 2013). Several organizations in Bangladesh have paid a heavy price for challenging the state. The collapse of highly politicized NGOs that have actively engaged in democracy promotion and politics serves as warning to other NGOs seeking to stray into more democratic areas (Ulvila & Hossain, 2002). More recently, accusations of corruption and the forced resignation of Mohammed Yunus from the Grameen Bank – although publicly declared in the public interest to abide by the country's retirement laws – are widely recognized as a government response to his post-Nobel prize attempts to create a 'people's' political party to foster change in the country's political culture, and to build a 'new Bangladesh.'

Such regulations restrict the abilities of sponsors to fund contentious programs or priorities. This means that in places like Ghana and Indonesia, NGOs implement broadly the same institutional advocacy tactics regardless of whether they are seeking to challenge poverty and exclusion or corruption and human rights (Kamstra *et al.*, 2013).¹⁰ It also means that programs tend to focus on less confrontational priorities.¹¹ Instead, given the hostility NGOs provoke by intervening in democracy-building or vocalizing challenges to government, they must persuade the state that they are non-political – a significant challenge when trying to advance the interests of beneficiaries in a highly political arena (Bukenya & Hickey, 2014; Dicklitch & Lwanga, 2003; Ghosh, 2009).

Prioritizing their functional capacities and service delivery roles has led to many NGOs working in partnership with governments through forming strategic alliances. This offers possibilities for NGOs to free themselves of donor influence and harness national resources (Makuwira, 2014). We can see this to some extent as an opportunity for NGOs to pursue their civil society functions through stealth rather than contestation, demonstrating through partnerships strategies for more effective and democratic service provision (Batley, 2011; Rose, 2011).¹² NGOs in Kenya, for example, have become increasingly integrated into governance in terms of seats on policymaking committees and participation in planning and budgeting (Brass, 2012b). This constitutes a two-way process of social learning. Partnerships offer the chance for governments to consult actively with NGOs about development problems and solutions, to create institutions that formalize joint activities and to jointly design and implement development policies and programs, all of which may encourage governments to learn from NGO approaches (Batley & Rose, 2011; Brass, 2012b; Brautigam & Segarra, 2007). For NGOs, they represent an opportunity to enhance their voice, influence, and access to state resources, as well as to craft a more supportive regulatory environment, a forum for creating a national discourse on sensitive topics and an alternative route to confrontation through which they can represent or advocate for poor and excluded groups (Batley & Rose, 2011; Brautigam & Segarra, 2007; Wiktorowicz, 2002). Returning to Table 1, we can see that the entry point of this approach falls between the two extremes of 'development as leverage' and 'development as service delivery'. It views service delivery as a route through which leverage can be facilitated, illustrating a strategy of transformation by stealth. To these ends, NGOs can make a conscious decision to sacrifice autonomy in exchange for increased leverage and influence within government policy and practice (Batley, 2011).

Such partnerships illustrate one avenue through which NGOs are actively trying to overcome the structural

constraints that face them, by adopting strategies that balance the need for financial survival, the defense of their organizational identities and commitment to goals (Batley & Rose, 2011).¹³ Yet at the same time they highlight a radical change in relationships between political institutions, NGOs, and the broader institutions of civil society. By aligning more closely with governments, NGOs risk being drawn further away from their intended beneficiaries. The new level of professionalization and the positive relationships with the state that these partnerships require further concentrates power in the hands of administrators and implementers (Brautigam & Segarra, 2007; Jad, 2007; Ulvila & Hossain, 2002; White, 1999). Awareness of the dangers and politics of co-optation is therefore critical. As we reaffirm in our conclusions, the question to be asked is how NGOs can act as successful bridge builders without eroding their downward accountability.

If NGOs are going to be game changers of democracy, assessing performance only on their functional mission is not sufficient to legitimize their work (Lang, 2013). They must move away from the narrow focus on institutional advocacy that has been prioritized – lobbying to influence elites and nurture relationships with the state to gain some degree of insider status – toward a deeper engagement with broader politics through public advocacy, employing innovative strategies for communicating with and amplifying citizen voices (Choudry & Kapoor, 2013; Lang, 2013). It is clear that external pressures from both donors and governments continue to draw NGOs away from a grassroots orientation. Earlier idealistic perceptions that assumed that NGO service delivery activities could foster 'empowerment' and democracy promotion are now recognized as generous and context-specific, conditional on grassroots mobilization and membership, internal democratic processes, and political forms of participation in program design and implementation. These same pressures also undermine NGO innovation, another comparative advantage on which NGO legitimacy is founded.

(b) Innovation

The innovative and experimental nature of NGOs is said to be central to their effectiveness, enabling them to find new ways of reaching previously excluded groups. From the 1990s, research has highlighted the internal and external factors constraining NGO innovation, leaving most NGO programs and activities to fall into a 'predictable range' of activities varying little by organization, sector or country (Fyvie & Ager, 1999; Kamstra *et al.*, 2013). While early criticism of the limited impact of NGO activities led to an increased focus on 'scaling-up,' capacity-building and partnerships (Lewis, 2005), these changes pose a threat to innovation because they imply a shift away from local experiments to models (or 'silver bullets') that can be extrapolated from best practices and implemented elsewhere regardless of context (Atack, 1999; Balboa, 2014; Korten, 1990). Risk-averseness among donors also means that funds are channeled predominantly through large, international NGOs to formal NGOs that are rarely innovative (Smits & Wright, 2012). Donor expectations and their demands for measurable outcomes within short and pre-specified time frames are ultimately incompatible with innovation, which requires a fundamentally different approach to development that is "flexible, long-term, self-critical, and strongly infused with a spirit of learning by doing" (World Bank, 2012). The challenge for NGOs should be to expand their *impact*, not to replicate or scale up standard interventions.

Of course, few would question the hugely important roles that NGOs have played in vaccinating millions of children,

building schools, improving access to safe water and sanitation, and distributing essential drugs. But herein lies a paradox. As NGOs have grown in size and sophistication, expanding the number and breadth of their programs and setting increasingly ambitious targets, they have become professional organizations defined in terms of the qualities required to manage the delivery of development-related services using standard cost-benefit calculations. “Professionalization” is not, of course, necessarily a bad thing. It is vital when it comes to working at scale, building a solid reputation and establishing political relationships – all of which are critical to success. But neither is it as an unqualified good, because it results in significant tensions between NGO activities and their overarching mission for lasting change, which requires a qualitatively different set of capacities, relationships, and metrics.

Should we be surprised at the level of this mismatch? If NGO programs have largely fixated on speed, growth, numbers, and material success, then it would be unrealistic to expect them to provide a strong platform for addressing the increasingly complex, politicized, and unpredictable problems that characterize the societies they inhabit (Edwards, 2011b). If anything, the beginning of the 21st Century has been characterized by the shrinking room for maneuver that exists for NGOs and their cooptation into the international aid system (Fowler, 2011; Townsend, Porter, & Mawdsley, 2004). Ultimately, the inability and/or unwillingness of NGOs to fulfill their perceived advantages in terms of innovation, grassroots orientation, and accountability undermines their legitimacy as ‘development alternatives’ and their ability to tackle structurally entrenched forms of poverty and dispossession. Returning to Table 1 this reiterates the limitations faced by development NGOs in fulfilling their society functions where they lack a strong membership base and inward accountability. So long as these issues remain un-addressed, their leverage over the long-run drivers of development and social change – and their ultimate impact – will be weak (Edwards, 2008; Mitlin *et al.*, 2007). How might NGOs approach this challenge in the future?

4. NGOS AS BRIDGES TO THE FUTURE

Despite the concerns we outline about the ability of NGOs to function as political actors and incubators of alternative development, opportunities for pursuing development that contributes to progressive political outcomes still exist (Bukonya & Hickey, 2014). Even within the constraints imposed on NGOs by the structures and systems they find themselves in, the diversity of form we see emerging is indicative of attempts to avoid these pressures and to retain (or return to) their original ‘roots’ as agents of the poor.

In a world that is increasingly integrated and connected, the intermediary position that defines most NGOs remains a significant advantage as they continue striving to demonstrate what works for poverty reduction. Their ability to build links, coordinate between sectors, and apply their knowledge of local contexts mean that NGOs could strengthen their roles in social transformation even as delivery functions decline (Edwards, 2011b; Smits & Wright, 2012). This requires, however, that NGOs position themselves in different ways by stepping away from the ‘driving seat’ of resource flows and their associated agendas to become supporters and facilitators of more deeply networked social action in which other groups pursue their own goals with the appropriate kinds of support – whether capacity-building, learning and knowledge creation, resource-generation, institutional linkages or communications. NGOs do not, from this position, act themselves as a counter-

vailing power to the state and market, but position themselves in a support role to more locally rooted MBOs. Through this they can strengthen community efforts, provide technical and logistical support, and act as gatekeepers bridging the gap between MBOs and local and national governments.

Small numbers of professional organizations or individuals working diligently cannot, on their own, facilitate political change.¹⁴ But NGOs can support the broader processes of social and political mobilization necessary for linking grassroots activities with development finance and broader advocacy struggles at national and international levels (Kilby, 2006; Kunreuther, 2011). As Mitlin *et al.* (2007) highlight, returning to their roots requires NGOs to demonstrate a greater interest in the political economy of social change, and to recognize that where NGOs have been genuinely successful in realizing their goals of acting as genuine development alternatives, it has usually been in conjunction with the political programs of social movements or developmental states. Despite the limitations to professionally led development solutions, alternative models cannot exclude this professional support (Mitlin, 2013). Civil society on its own is not enough. Given the concentration of economic and political power, “. . . suggestions that the foundation of poverty reduction is self-organization at the community-level seem at best hopefully naïve” (Houtzager, 2005, p. 6). Its pluralism and fragmentation may provide a core strength of civil society but also its weakness, spreading power thinly and limiting its ability to contest political and economic power effectively (Houtzager, 2005).

The ability of NGOs to bridge some of these divides, strengthen and consolidate otherwise fragmented associations, and provide legitimacy to grassroots groups through their support are strong comparative advantages that NGOs offer. Some see this move as a natural progression as NGOs continue to adapt to changing institutional environments, such as Korten’s (1990) ‘fourth generation’ strategy that links NGOs with social movements to combine local action with activities at other levels that are aimed at long-term structural change. In the Philippines, for example, Racelis (2008) highlights how ‘People’s Organizations,’ supported by their NGO partners, have generated local priorities and broadened democratic spaces through mobilizing, taking action, and engaging in advocacy for social and political reforms. Achievements have been incremental as well as transformative, including agrarian reform; urban land reform; and new legislations promoting women’s rights and environmental protection, among others (Racelis, 2008). Likewise, NGO partners across the Shack/Slum Dwellers International (SDI) Federation have withdrawn as capacity has been built across the movement – stepping back to let urban community groups take the lead in campaigning, demonstrating new building regulations and models, managing community savings and loans funds and facilitating national and international exchanges (Patel & Mitlin, 2002). Over time this grassroots-led movement has built savings, capabilities, and leadership at the local-level, networks at the local, national, and international levels, and in doing so, has enabled urban poor groups to influence government actors and service providers. Not only have groups fought for increased access to more or better services, but this has enabled them to do so in a way that challenges existing exclusionary or clientelistic practices (Mitlin, 2013). In Uganda, the political capabilities of farmers have been strengthened not through NGO programs promoting good governance (that operate within the confines of existing liberal government spaces), but through a less formalized and grassroots-driven process of ‘associationalization’. Supported

by an NGO partner, associationalization enabled MBOs to gain political agency in ways that, through a process of economic empowerment and expanding political leverage, began to undermine patronage politics and generate political influence (King, 2014).

That NGOs locate themselves as technical experts delivering specific services leads to an unequal playing field between them and the communities or movements they support (Bolnick, 2008). Not so natural in this progression, therefore, is the shift in the nature of relationships that it entails between NGOs and other civil society groups, from unequal relationships favoring those with power and resources to equal partnerships placing local organizations at the center of their own priorities. As we saw in the earlier example of the Zapatista movement in Mexico, significant tensions emerged between the movement and support NGOs as it got stronger and argued for greater budget control and a shift in programmatic focus (Andrews, 2014). Some NGOs were able and willing to adapt to these demands. Others dropped out of the relationship because donor restrictions on financial reporting and programmatic focus prevented them from being responsive to their beneficiaries. NGOs able to prioritize downward accountability were those with some level of financial autonomy,¹⁵ greater geographic and ideological proximity to the movement, and a horizontal network of accountability from other peer NGOs (Andrews, 2014).

Experience over the past three decades has revealed little interest from NGOs in establishing strong connections with social movements embedded in the political processes essential to social change (Edwards, 2008). While some NGOs were set up by and have managed to remain attached and accountable to people's movements for specific purposes, these tend to be exceptions (Choudry & Kapoor, 2013). As with Andrews' example above, in some cases this may be because donor requirements prevent them from establishing equal relationships. For larger NGOs, however, there is little incentive to relinquish the powerful position in which they are currently situated. Perhaps this is unsurprising given that current patterns of donor funding have evolved in ways that position NGOs as leaders in solving the 'problem' of development and have struggled to meet the requirements of those NGOs that *are* aligned with demand-side struggles for improved relationships between state and citizens (Carothers & de Gramont, 2013).

There remains, therefore, little incentive for NGOs to reorient their roles away from service delivery and advocacy toward the building of bridges that are functional to the needs and demands of the civil society groups they aim to support. NGOs are often thought of as a "sector", but in reality they and other civil society groups form part of an "ecosystem" of different elements and relationships in which NGOs become part of multiple bottom-up strategies that link engagement and advocacy in formal spaces with broader social mobilization and coalition building efforts. Crucial for NGOs and donors alike is to reflect upon the position of NGOs in relation to broader civil society. Like a natural ecosystem, civil society gains strength and sustenance through two things: one is diversity – so that all angles of a problem can be tackled, from service delivery to street protest; and the other is connection, so that the whole can be more than the sum of its parts and synergies can be developed between different elements. A key challenge to NGOs, therefore, is to reflect on their roles within this complex ecosystem and hierarchies as well as on how their interventions unfold in the complex terrain of social, political, economic, and cultural dynamics (Makuwira, 2014).

Within this ecosystem lies a variety of different actors with varying forms and levels of capacity, as well as varied values,

goals, and power (Balboa, 2014). Fundamental here is the fact that NGOs and membership-based organizations have very different political, administrative, and technical capacities for influencing different levels of the ecosystem, as we see in Table 1. This may prevent most NGOs themselves from acting as a counterbalance to dominant state and private sector interests. But NGOs are ideally placed to be "connectors" in these ecosystems precisely because of their "intermediary" status – the fact that they sit between different types and levels of social action. NGOs may not themselves be politicized organizations composed of and accountable to members. Likewise, they may not be actively seeking to promote a form of development that constitutes direct social, political, and economic change. Instead they offer different comparative strengths that are integral to assisting other forms of MBOs in realizing those capacities. Mediating between different actors, geographies, and approaches to social change is exactly what is required as the landscape of transformation becomes more integrated, complex, and diverse. Across this landscape no one organization's actions or outcomes stand-alone – the capacity and nature of state and societal actors are outcomes of a two-way exchange that is shaped in substantial ways by the institutional terrain in which it takes place (Houtzager, 2005). Differences between the global, national, and local levels are momentous, making this form of bridging leadership essential (Balboa, 2014). The ability to influence politics and policy requires a range of strengths and attributes that on their own MBOs may lack, including good technical knowledge and skills, policy advocacy, broad political relationships and networks, and legitimacy (Robinson & Friedman, 2007). All social movements benefit from specialist support, advice, funding and connections of the kind that intermediaries can bring to the table, so it is much better to build on the existing strengths of NGOs than to ignore or apologize for them.

While the position of NGOs is being challenged by the rise of more fluid social networks and less structured or "leaderless" organizations (think Occupy, for example, or websites like Kiva and Kickstarter) that may reduce the need for intermediaries to channel resources between one place and another and manage the processes involved, this trend can be exaggerated. In fact, the role of NGOs as connectors may grow in the future precisely *because* of the trend toward greater integration that was highlighted above. Crucially, "bridges" imply equality – resting on foundations that are equal at both ends - and reciprocity, since people and ideas cross over in both directions. The secret of success for intermediaries is to be and act 'in service to' something larger than themselves and their own, self-generated agendas – to move from control to facilitation and from being donors and decision-makers to co-creators and translators. The implication is that people in different countries, working in different sectors, and believing in different things will engage with and learn from each other. This will make for a much healthier conversation. It will also make it easier to answer questions about legitimacy and accountability as NGOs extend their involvement in the international system – about 'who speaks for whom' in emerging regimes of transnational governance – so long as they are prepared to modulate their own voices so that others can be heard. Increasingly people will want to speak for themselves, with NGOs in a supporting and supportive role.

That may seem like a threat to the profile of NGOs (especially if they think their profile impacts their 'market share' of resources), but in the future much more will be achieved by working in service to broader civil society networks, since that is where the "mass" and "energy" reside to influence the real drivers of social change. This is a challenge that is

well-suited to the qualities and capacities of NGOs as bridging organizations geographically (sitting between different countries and levels of local–global action), institutionally (working in the spaces between civil society, government and the market), functionally (committed to social justice but flexible in how to realize it in practice), and philosophically (being ‘pragmatic visionaries’ that embody their values in concrete action). By re-positioning themselves more consciously as bridges along these various dimensions, NGOs will be able to carry information, ideas, skills, and funding across the ecosystems of transformative action that are emerging in areas like climate change and the environment, the social economy, and new forms of civil society activism. The possibilities are exciting for those who are prepared to accept that the landscape of social change is evolving in ways that require shifts in the NGO community itself, away from logical and linear models of development to work more closely with communities and social movements to help them grapple with and negotiate the complexity of development as it happens (Harding, 2013; Mitlin, 2013; Wallace & Porter, 2013). The challenge is to start removing some of the restrictions in the international aid system that currently make the short-term needs of support NGOs irreconcilable with the longer term needs and strategies of social movements and other forms of MBO.

5. CONCLUSIONS

Central to the future of development NGOs – and development more broadly – is a return to politics in the broadest sense, and a retreat from the idea that transformation is simply the aggregate of technical interventions (Carothers & Gramont, 2013; Green, 2008). In addition to the successes in service delivery that the proliferation of NGOs has helped facilitate, progress has been made in recognizing the role of civil society as a critical component of good governance agendas. However ongoing representation of civil society as constituting a relatively narrow band of NGOs representing moderate points of view and lacking the membership base and politicized methods necessary for achieving change is irreconcilable with the need to reconfigure deeply rooted inequalities. Tackling issues of power, inequality, social, and political change requires a fundamental redress in how we conceptualize, distinguish between and support NGOs in relation to MBOs. It is only through mobilizing a strong membership base with internal accountability structures that participation in program design or political change can remain political, a process through which MBOs seek to take an independent or oppositional stance to the state or private interests and to leverage better terms of recognition, resource distribution, and political influence. Our criticisms are not meant to suggest that NGOs have found themselves in this position because they are ambivalent about tackling issues of power and politics – anything but. But only by acknowledging, confronting and challenging the problems that NGOs face in the international aid chain can we move toward relationships that are more supportive of NGO autonomy and a greater diversity of civil society action.

How can NGOs continue to expand their successes in service delivery while returning to a stronger engagement with the root causes of poverty that are so deeply embedded in the systems and structures of power and politics that underlie poverty and inequality? How can they join forces with local MBOs as equal partners, jointly pursuing their mutual goals of transformation and social justice? As we have seen, responsibility for these changes does not lie with NGOs alone. A quick glance at their position within the broader aid system

highlights the difficult situation in which they find themselves, juggling a delicate balancing act between institutional and developmental imperatives that require close but potentially conflicting relationships with states, donors, partners and constituents. Moving forward in these respects will require self-critical thinking across an international aid chain that remains “hampered by politics, arrogance, and self-interest” (Green, 2008, p. 378). Despite advances made by donors in moving toward more political methods for facilitating development, these efforts remain hampered given there has been little shift in the aid chain away from a narrow conceptualization of civil society, and few examples of their ability to design more innovative funding mechanisms to support, rather than erode, the political roots of civil society organizations (Carothers & de Gramont, 2013).

In the meantime, we are faced with the ongoing reality that in those dimensions that are most important for long-lasting, structural change, NGOs remain ill-equipped to intervene. The gradual erosion of their civil society roots and their inability to secure ‘development alternatives’ at any scale means that NGOs remain unable to engage with transformative agendas that seek large-scale redistribution and the re-ordering of wealth and privilege. As potential ‘bridges to the future,’ NGOs could play an influential role in a post-aid world, which will surely witness a rebalancing of the relationships between governments, markets, and citizens in service to these goals. But such bridges represent a different and less dominant component of the local-to-global civil society infrastructures that are emerging. Adopting these new roles will challenge the identity of NGOs and their willingness to be judged by criteria other than their own size and profile. As we concluded in *World Development* in 1996, if NGOs remain “Too Close for Comfort” they are unlikely to respond creatively to this challenge, but by distancing themselves from their dependence on governments and donors they at least have the chance of becoming partners in the transformation of society.

Without being able to ‘return to their roots’ by blending the old with the new and adopting new tools and approaches in innovative ways, NGOs will remain unable to pursue transformative agendas that seek to address the wider systems that create and reproduce poverty and inequality. Development as a project-based and professional activity has yet to find a way to confront the dominance of established elites and corporate interests. In a context of vast and widening political and economic inequality, NGOs do and will continue to struggle because of their non-political roots and strategies. Government–NGO partnerships and the subsequent ‘transformation by stealth’ is one means through which NGOs strive for more transformative forms of service delivery, but other forms of institutional advocacy remain blocked by the limited civil society space afforded to them by states and donors. A shift toward a stronger, more inter-connected civil society in which NGOs play a key bridging role between MBOs, local and national governments and transnational may be the way forward. But it is easy, too, to over-romanticize the capacity of civil society organizations – including both NGOs and MBOs – against such powerful actors and systems. Understanding the autonomy and agency of these actors (and how these can be enhanced) is therefore a question that should be asked at every level of the international aid chain. A research agenda moving forward could help us to foster a deeper understanding of relationships between NGOs and the MBOs that they support, including the factors that lead to deeper engagement with beneficiaries, a greater commitment to inward accountability, and a participatory approach that does not lead to its depoliticization.

NOTES

1. For those wanting to follow the blog, the newspaper article, and the comments that these generated, Duncan's blog can be found at: <http://www.oxfamblogs.org/fp2p/?p=11330> and the Guardian article at: <http://www.theguardian.com/global-development/poverty-matters/2012/aug/17/faultline-ngos-future-development> (both accessed 12/12/2013).
2. Many writers still identify 'neoliberalism' as the process that is driving global inequality but things are more complicated than in the late 20th century with several varieties of capitalism now competing and collaborating in processes of economic globalization.
3. Of course, these questions about NGOs and their impact are also being asked by NGOs themselves, but often behind closed doors. Some are increasingly vocal about the problems they face in contributing to "progressive social change" given the constraints that are placed on them by current patterns of politics and foreign aid (see for example Shutt, 2009; Progressive Development Forum, 2012).
4. NGOs whose missions are confined to service delivery (such as humanitarian organizations) and do not display transformative missions of empowerment and social justice cannot be measured by this same yardstick, nor can be criticized for their activities of not contesting the state when this is not within their specified goals or missions.
5. By bringing in large sums of external financing, donors replace the psychosocial rewards that incentivize group leadership with material incentives, elite status and professional positions, eroding members' trust in their leaders' motivations and facilitating exit from the group (Bano, 2008, 2012).
6. NGOs with better downward accountability and commitment to beneficiaries, or more powerful NGOs that have some level of voice vis-à-vis donors are more likely to suspend the relationship or try to negotiate a way to continue accessing funding without risking such change in organizational identity (AbouAssi, 2012). We return to opportunities for NGOs to carve out space and autonomy later in the paper.
7. In comparison with traditional donors, private foreign aid appears to be more aligned with humanitarian principles. In a study of the allocation of US-based private foreign aid Buete, Major, and de Mello e Souza (2012) find that NGOs allocate their funding on the basis of humanitarian need rather than materialist concerns.
8. Early in the program criticism arose regarding a lack of civil society involvement in project implementation, generating a restructuring that called for community groups to apply for grants to pursue their own development programs (Brown *et al.*, 2007a).
9. Gauri and Galef (2005) explore the convergence of development NGOs to a modal institutional form in more detail, highlighting the role of material incentives and the pressures they face toward conformity.
10. Only two of the six Indonesian NGOs explored were prepared to resort to more political forms of advocacy if their efforts were unsuccessful. Preventing this were fears that donors would not approve this strategy and that it would run the risk of damaging the trust they had established with the government (Kamstra *et al.*, 2013).
11. A break-down of the funding activities of 703 foundations funding human rights activities in 2010 finds that of the grants totaling \$1.2 billion, only 3% was allocated to programs for civil and political participation (and 90% of this was granted to organizations promoting this in North America) (The Foundation Centre, 2013).
12. A Special Edition of *Public Administration and Development* (31(4) 2011) explores the relationship between NGOs and governments across diverse sectors in India, Pakistan, and Bangladesh.
13. Despite positive conclusions when it comes to research into NGO–Government partnerships, research in this sector also highlights the importance not to overstate the degree of change when it comes to the space NGOs are allowed or can carve out: changes have been modest, slow to take root, and remain fragile (Brautigam & Segarra, 2007; Brass, 2012b).
14. We would like to thank Sheela Patel for articulating this point so succinctly at a public lecture at the University of Manchester on 'Segregation, social equity and the 21st Century' (27th February 2013).
15. Alternative sources of funding through membership dues, product sales, speaking programs, or finding grants and donors offer more flexible funds that can support a cause rather than specific pre-defined outputs (Andrews, 2014).

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