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ISSUES CRITICAL TO A SHIFT IN RESPONSIBILITIES
BETWEEN U.S. PVOs AND SOUTHERN NGOS

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1. WHAT IS THE CURRENT SITUATION?

The development field has moved so fast in the last few years that views which were peripheral in very recent memory, have become quite standard, if not always mainstream, within 3 or 4 years. Whereas NGOs and PVOs were not even much talked about outside their own community at the beginning of the 1980s, (much less taken seriously) the whole development establishment now shares a standard view of both the changing environment for PVOs/NGOs as well as of what is needed to meet the challenges posed in the new environment. These standard views are reviewed here.

1.1 The standard view of the PVO environment:

There are two key aspects to what has now become the standard view of the environment for U.S. PVOs.

The first is the rapid acceptance of the fact and legitimacy of what can be called the Southern Voice. That voice first became widely accepted with the March 1987 conference in London ("Development Alternatives: The Challenge for NGOs.") After that conference, the North/South NGO construct (and dichotomy) really took-off as a major framework for discussing the NGO environment. Northern NGOs (PVOs) had now to finally contend with a vocal challenge from the Southern NGOs (a group which had hardly existed 15 years earlier) to alter their style of work, and even their purpose. Hence the concept of shifting responsibilities. This Southern Voice has not let up. On the contrary it has become stronger.

The second major environmental constraint now accepted as standard is the changing market place in which PVOs/NGOs operate. U.S. PVOs now accept that there is growing competition for scarcer resources, both in the private and the public market. The standard view now is of donor fatigue or donor tight-fistedness. U.S. Corporations, once (at the beginning of the Reagan administration) expected to take up the slack left by cuts

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in federal funding, have not done so. Corporations, often because of mergers, have reduced the number of pots from which to draw their philanthropic giving, or are less inclined to give large sums to individual grantees, wanting instead to spread monies more evenly in smaller amounts, or, in the case of international projects, have simply decided that there is less public relations pay-off in funding overseas work than U.S. domestic work.

The U.S. public as well, while turning out for well-publicized (and emotionally "appealing") disasters, has become somewhat fatigued by both hints of deception and by the simple saturation of an increasing number of like-sounding appeals. While there is a view (echoed in the ACVFA meetings earlier this year) that in future the U.S. public will be more globally-minded and thus more susceptible to rational appeals to give to PVOs on the grounds of U.S. self-interest, few PVOs are willing to risk changing their emotion-based appeals.

Foundations, large and small, have been going through a cycle of transitions and repositionings during the 80s, reflecting on the whole a general insecurity about how and where they should be placing their emphases.

As for government funding, the PVOs' standard view is that competition for federal funds has grown. There are newer players and more players in the AID registry of PVOs. And all the while, the entire foreign aid establishment in the U.S. is under scrutiny, if not attack, in some instances as much from within as from without. USAID itself, while still harboring a resource of much talent and concern in the individuals who staff it, is going through a process of self-criticism and transition. A sense of malaise inside the agency is being communicated to the PVOs (through many personal contacts) that has left many PVOs feeling that AID itself is rudderless.

In short, the market place has suddenly loomed quite large as a constraint and even a threat to PVOs, where it was once a strength and a set of opportunities. For PVOs there is no solid ground now; no sense that they can count on any particular resource base.

In part because of this PVOs have begun to turn to the multilaterals as potential resource partners. But here too, the ground isn't stable, as there is a gap between the new rhetoric of intent to work with NGOs and the operational capacity (and perhaps too the political will) to actually do so.

1.2 Meeting the Challenges.

Following from the standard view of the environment, a standard view has developed about what PVOs need to do to adapt and to survive.

With respect to both the changing marketplace and the Southern

Voice, it is now accepted that PVOs need to strengthen their institutional skills, learn sound "relational" skills, understand and contribute to policy dialogue, and build strategies for sustainability and expansion of benefits ("replication" or "scaling-up") and learn the art of partnership. While in the early 1980s PVOs tended to ignore or dismiss the few criticisms of their approach (viz. Tendler, 1982) they have by now accepted most of them, especially the charge that they have relatively little impact.

So marketplace thinking has become standard: PVOs have embraced the notion of strategic planning, of professionalism, of cost-effectiveness. And much effort is spent on retreats, thinking about how to change, how to become more accountable, and so on.

PVOs have begun also to accept as standard that they must reposition themselves vis a vis field implementation. There is acceptance that at some time (the timetable is decidedly not standard) PVOs will need to work with their Southern counterparts, become partners with them, collaborators, co-implementors, or resources for them. In short the role of the Northern PVO must change. How it should do so, is very much still being debated.

1.3 The Rise of the Southern NGO.

While the Southern Voice began to be widely heard in 1987, it was still largely perceived as a voice emanating from a somewhat immature body. Initial assessments of Southern NGOs were taken up with counting and sorting the large numbers being formed; much of the little writing taking place on the subject was devoted just to figuring out what to call them, and how to distinguish one kind from another. Underlying the counting and typologizing however, was a generally shared assumption that southern NGOs were by and large weak, small, and ineffective.

The big surprise is that by 1989, the body behind that voice has matured rapidly. While we still lack a solid corpus of research, we do by now have a few studies, especially of Asia, which show how rapidly indigenous NGOs have "caught up" and suggest even that the very notion of catching-up is misplaced. Some have operated with an independence of spirit and a track record of achievement that suggests that we may now have to catch up with them.

PACT's 1989 study "Asian Linkages" offers some good examples of that catching-up and also of how much the standard view of the challenge for NGOs has come to be the standard view in the South as well. The rapidity with which these views have become standard all over the development industry (in the North and the South) is itself a mark of the changed world our industry now exists in. Development practitioners and theorists are far more communicative. There is less isolation than ever. People are writing more, reading more, and using electronic means of

communication more. Perhaps most important, they are meeting more. The networking process, and the resulting number and diversity of conferences and meetings has proliferated. There are few backwaters anymore.

In the Third world, the new growth has been among what PACT calls VROs - Voluntary Resource Organizations - which provide functions in three areas:

a) Apex functions (coordination, grant-channeling etc.), b) Delivery of services (training and technical assistance, institution building) and c) Strategic support and facilitation (networking, organizing and so on).

The fact that such VROs exist, even if primarily in Asia is striking since we in the North are still thinking generally about the rise of the Southern NGO and not ready to believe that these resource roles exist indigenously. But they do. In fact, in certain regions or countries, these local VROs fulfill exactly the functions that U.S. PVOs are beginning to think are the ones they should be fulfilling vis a vis their Southern counterparts.

So the standard view gives way to a standard challenge: "Given the enormous rapidity of change in the South, and in our own thinking, what is the comparative advantage of, - the raison d'etre for - the U.S. PVO?"

PACT's Asian Linkages study answers this with what I would call the standard dilemma:

The study (another iteration of what other recent studies have discussed, viz. Campbell, 1989) advocates capacities and functions that the IPVO ("International PVO", which includes most operating U.S. PVOs) should undertake and build in order to be of help. These are:

- Develop sound management and administration.
- Development education and advocacy.
- Maintain relationships with government and donors.
- Shape self-financing plans.
- Improve monitoring and evaluation.
- Set up information systems.
- Provide access to an international network of people and resources.
- Build sectoral knowledge.
- Act as a training ground.
- Conduct market studies.

The PACT study sums up the changed role as moving from "community motivator" to "institutional catalyst". This fancy rhetoric covers up the Northern (read U.S.) PVOs'dilemma: These new roles for the Northern (& U.S.) PVOs are not inherently different from the roles that Southern NGOs themselves will need to learn; indeed they coincide in many aspects with the roles of the new

breed of VROs. In short these are capacities which are transferable and should be transferred to the Southern NGOs. Presumably once transferred, the IPVO is out of work.

One can argue of course that such a danger is far away, and add that saying what things the IPVO should do and actually doing them are entirely different matters. This is true - in fact few PVOs have learned to do many of these things well for themselves, let alone have the capacity or will to transfer them to others.

But that isn't the point. The issue for the 90s is what is it that the U.S. PVO can do that really represents an inherently sensible division of labor; an arrangement in collaboration or partnership with the South where each party brings some real talent and "comparative advantage" to the table.?

There is no easy answer to this question. To see why, we need to review the opportunities and constraints faced by the U.S. PVO in the new world.

1.4 What is the nature of the "shift in responsibilities?"

The premise behind this paper is that there is a shift occurring in responsibilities between North and South. But what is it that the U.S. PVO community thinks it has been responsible for? It is safe to say that thus far U.S. PVOs have thought of themselves as responsible to their beneficiaries in the Third World. They have also thought of themselves as responsible for those beneficiaries. This has been a habit which is now being challenged. At the same time there has been a sense of responsibility for stewardship of resources - in other words U.S. PVOs feel responsible to their donors or constituent communities. They also, in the 1980s, have felt responsible for programming, management, and implementation of projects, and for being increasingly professional, strategic and goal-oriented.

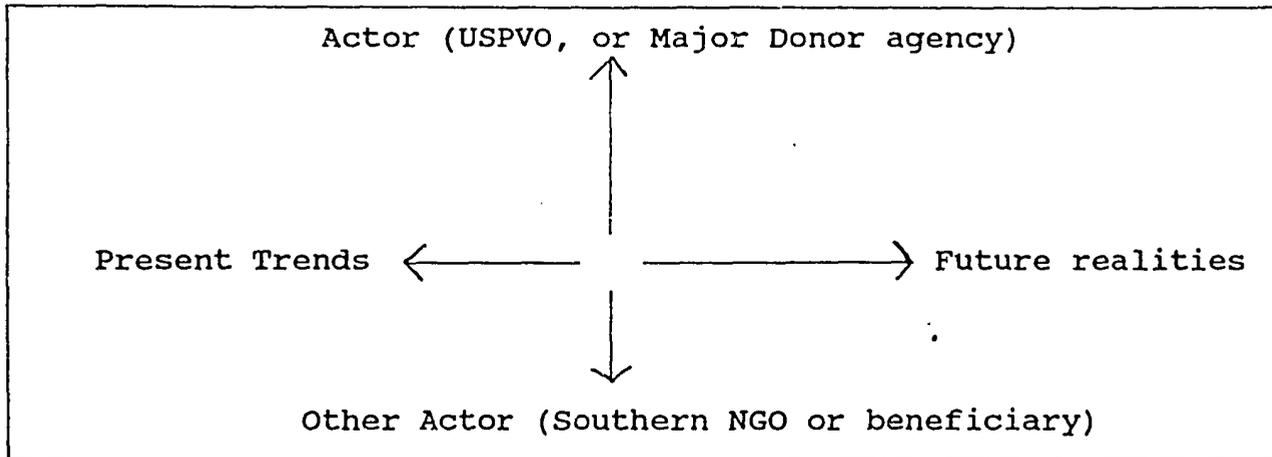
Because of these ways of defining the U.S. PVOs' responsibilities, the shift - which is basically a shifting of the burden of carrying those responsibilities from the shoulders of the North to those of the South (from "expert" to "beneficiary" in a sense) - is a transfer of power. That is what makes it painful and raises the ultimate stakes. The stakes for many individuals are their own jobs and careers in international development, but writ large, the ultimate stake is the survival of the U.S. PVO.

The U.S. PVO, furthermore, has had to move from relief to development only fairly recently, and so now the perceived need to move from direct project implementation to indirect catalytic roles in areas which few PVOs themselves feel comfortable with, puts additional strain on the community.

1.5 Present trends and future realities among different actors -

A bed of contradictions.

If we look at the present context of the U.S. PVO in the development industry we see a cross-hatched set of mismatches between present trends and future realities, and also gaps in understanding and mismatches between different actors in the development community which surround US PVOs - such as between donors and USPVOs, USPVOs and Southern NGOs, etc. The matrix looks schematically like this:



Lets start with general trends in organizational culture.

US PVOs are embracing concepts from the business world. They are hiring management experts, undergoing revamping of their systems (from accounting to travel policy) and in some cases installing systems for the first time. This trend is in response to the environment referred to earlier. In order to meet the competition for resources, PVOs feel, as was also said earlier, they should be more accountable, more professional and far more strategic.

While such a trend is useful in terms of the PVOs' own survival in the U.S. environment, it is mismatched with the future reality of the need to collaborate and share.

Also, as USPVOs concentrate on market share and niche, they may tend away from a transfer of power. Since if they are successful in raising more money, the money itself may reinforce their own sense of having power.

Southern NGOs may themselves resist planning and professionalization, as defined by Northern organizational concepts. Southerners are calling for their own forms of management; their own definitions of what constitutes an efficient organizational structure.

US PVOs, moving as they are to a far greater corporate style of management, may be less and less prepared for partnership with the South as a result.

US PVOs are also aging. As they do they tend to bureaucratize. They produce and depend on increasing amounts of paper. As the number of donors they have to answer to increases, the paperwork can tend to become a major function of the PVOs' daily life. In relations with Southern NGOs the US PVO may tend to pass on this need and burden the South with heavier reportorial requirements at a time when the future reality of the Southern NGO will require them to be flexible and highly efficient in the use of scarce staff resources.

In general the development experience tells us that the level of operations closest to the ground is the one which needs to be most active and flexible. If paperwork and bureaucracy in the extreme penetrate to that level, an already painfully slow process (development) will become slower yet.

Southern NGOs and (VROs) are facing an increasingly able pool of local talent, educated and motivated young people who want to work in development in their own countries. They represent the trend to professionalization within Southern NGO staffs. There are two dilemmas here: The first is that just as many Northern PVOs worry about professionalization on the grounds that this will compromise some of the characteristics of PVOs which have been held most dear (flexibility, creativity, closeness to the grassroots) so does it make sense to worry about this among Southern NGOs as well. Will educated young people in the South want to stay with the rigors of grassroots work? Will they tend to want to do more writing and reflecting, more networking and conference-going? Would (could) anyone blame them if they did?

The second part of that dilemma is the reality of staff poaching in many Third World Countries. Because development has become an industry, there are many actors offering different levels of prestige, status symbols and concrete compensation packages. Because young people of education who wish to help their countries are still a small number, they tend to know each other, often come from the same backgrounds, or have gone to the same schools. Thus for example, M.D.s in Pakistan who are interested in community public health are likely to know each other. When some are hired by UNICEF, others by WHO and given salaries at Expatriate rates, with cars and schooling for their children, it becomes hard to be satisfied with NGO salaries. Young local NGO staff talent, while just now becoming widely available, is at the same time desirous of increasing mobility.

Thus if present trends in the South are to professionalize, and US PVO trends are to transfer professional status to the South, this process could also compromise the advantages that many Southern NGOs now have.

US PVOs at present still have a need to think of themselves as higher than, more savvy than, looking at things from a higher vantage point than, their Southern NGO counterparts. Southern

NGOs reflect that in their defensiveness towards Northerners; their acute awareness of Northern language and nuance. Many Southerners note the proprietary language of the North ("our projects" etc.) and some have been quite trenchant in observing that the "partnership" between North and South is like that between the rider and his horse (Kajese, 1987). Clearly much is at stake in partnerships. As Yates has pointed out, partnership raises issues of "organizational identity, status, autonomy, decision-making, accountability." (Yates, 1988)

It is significant that in spite of all this talk of partnership, the tendency in reality (at least in a few countries) is still to put more flags on the map of the Northern PVO. Fowler's research on Kenya shows a striking increase of 260 % in the 1978-1987 decade for foreign NGOs compared to an increase in the same period of 115% for Kenyan NGOs. (Fowler, 1989)

The future reality however will emphasize far more mutuality of understanding about the political economy of the development industry. The "organizational field" in which BOTH US PVOs and Southern NGOs operate is increasingly the same organizational field and the dynamics of the political economy of that field are the same even if the actors are different in the US sphere than in the sphere of a given Third World country. But US PVOs do not let their hair down to their Southern NGO counterparts and admit that they face tremendous constraints, that they too feel powerless, compromised, confused, and so forth. Letting their Southern counterparts know this, and letting them in on the policy issues and competing constituencies that they face in their Northern environments would be a much more real form of equality and just the sort of thing the South is looking for as an indicator that there is a real two-way street between the parties.

But the need to appear on top of things, cool-headed and mature as part of the underlying need to maintain organizational status (driven by competition for funds) tends away from this form of adaptation.

Other Southern trends: As Southern NGOs become stronger and more recognized, a feedback loop begins to occur. First, the current climate of interest in NGOs as potentially the best medium for much development praxis is already focussing attention on them. That attention brings with it funding. The funding fuels growth. The growth in turn may tend to breed opposition on the part of elites in the private and public sectors in countries where pluralism has not yet taken deep root. This countervailing force can lead Southern NGOs to the temptation of being coopted as a way to survive.

But the future reality for the South is no different than for the North. Both NGO communities will need to learn; to process lessons from experience. The learning curve will be foreshortened by organizations which are too much in the

limelight and have less tendency to be allowed to make and recover from mistakes.

US PVOs could act as protectors here, but can they play that kind of role when they themselves must profess to be apolitical in foreign countries? The growth tendency is a major present trend which is also contradictory (mismatches future reality and at the same time is a mismatch between actors who should be complementary). Northern organizational culture puts value on growth and adding flags on the map. The "grow or die" belief is strong and very much reinforced by reality. There is good reason to believe that in this business, as in many others, if one does not grow, one will go backwards. But even without exponential growth the tendency is to fragment organizational integrity, to chase after contracts and projects to which labels and flags can be attached, both for the benefit of the corporate image, but more important, for the benefit of the donor.

This tendency towards more, is likewise passed on to the Southern counterpart. Indeed, because the number of Southern NGOs is growing, their present trend is to want to achieve differentiation so that donor attention can be attracted. One way to do this is to embrace the growth tendency.

1.5.1 Money.

Funding is probably the most important crucible of conflict and the most potent carrier of symbols of power between the Northern and Southern NGOs. It is money (finding it and keeping it coming) which renders all NGOs vulnerable and which fuels the tendencies to compromise core values, focus, and most important, learning. In fact, it is likely that the level of funding may be less important than the stability of funding - the fact that in most cases, NGOs cannot count on any one source of funds for very long. These vulnerabilities are there for both the North and the South, but because of the different traditions of philanthropy in the South (or absence of such traditions) and the affluent nature of the North, instability of funding for Southern NGOs will be even more of a problem for them than the North. This makes for a significant advantage for the US PVO, which can exert considerable power and control in the name of being a funding channel.

The present trend among US PVOs is to seek ways to devolve responsibility to the Southern NGO. But, as has been shown, US PVOs for the most part want to have some control, exert some of those responsibilities mentioned earlier - especially their stewardship and their views on programming and institutional development.

It is here that money becomes the crucible for conflict. Because many Southern NGOs need a source of funding, a patron - in effect they have no choice but to have one - they will seek to diversify their funding base in order to avoid being beholden to one

patron. This in its turn may tend to overburden them with too much time devoted to "marketing" rather than their main line of work, and can result in adding transaction costs to the point where many of them spend their time dealing with a number of different accounting and reporting formats and requirements.

A related present trend is to increase the nuts and bolts administrative and accounting capacities of local NGOs. Adequate bookkeeping and systems to monitor financial performance, including attention to depreciation of donor-financed assets and accounting for hidden subsidies are presently talked about as a new challenge for Southern NGOs.

That trend is mismatched with the desire of the US PVOs to be funding channels, especially since US PVOs feel the need to be seen as guardians of their donors' monies by carefully passing them through to the South. But as the South becomes better at accounting, there is less reason for the donors to think they are protecting funds by passing them through US PVOs. Indeed, now large donors, USAID included are talking about by-passing US PVOs entirely and giving money directly to Southern NGOs. Thus the heavy leverage which US PVOs may secretly hope to continue to have over Southern NGOs could be entirely taken away from them at a time when they are still struggling to figure out what their role should be (a role they would be less able to play without the leverage that money buys.)

Finally, one must note that because of the myriad sensitivities which exist between North and South, the partnerships and collaborations which have proven to be successful are usually those where strong personal relationships (even "bonding") have developed between persons in the North and the South. It is this fundamental base of good will that carries the day and makes it possible for partnerships to continue, in spite of the daily perceptions of wrongs, semantic gaffs, and power plays.

The contradictory trend however is that which (quite justifiably from a managerial efficiency standpoint) wants to see impersonal structures and standarization take place in the structuring of North South relationships, especially around funding.

1.5.2 Donors.

Donors, for their part, are at the center of many of these mismatches. The present trend among donors remains what it has been for some time. A key basic need among donors, whether multilateral, bilateral, corporate, foundation or individual is really the idea of ownership or credit. This need has natural origins. One wants to feel that one's gift is useful and meaningful to the recipient. It certainly helps one to feel that if the recipient puts a label on the gift and says: "I will use it for this purpose." Donors thus want "ownership" and they tend to want therefore to fund specific projects in specific places.

Even though quite a few criticisms have been mounted in recent years of the project approach to development (viz., Smillie's recent term "the tyranny of the project" (Smillie, 1988) donors have not changed in this regard.

They are not, or to be fair, they are considerably less interested in funding overhead costs, rent, electricity, or learning process costs such as reflection in the general sense. Of particular importance is the fact that donors do not like to fund the creation of reserves, which Vincent calls the "key to self-reliance" (Vincent, 1987).

Donors remain generally product (read "project") oriented. And this is related to the other primary need among all donors which is to get the money out the door on schedule.

These donor characteristics partially explain a set of present donor trends which are major mismatches between the needs of both US PVOs, Southern NGOs and their future realities.

- Donor laziness: Because donors need to move the money, they short-cut the process of investigation and careful evaluation of the potential of particular applicants. Simply put, they often do not have or do not allow themselves the time to look at the pool of applicants carefully. Rather they tend to rely on short hand proxies for recipient worthiness (recommendations, memorable descriptive phrases, references, personal acquaintance, status and prestige of boards, pedigree, etc.)

Thus a star syndrome develops, by which a particular applicant becomes, often for a short while, a favored grantee and is approached by many donors to accept funds. When donors are captured by large topical development trends (micro-enterprise, or even "NGOs" themselves) the short-cutting process increases.

This leaves out a large number of legitimately deserving applicants, and especially those that are quietly going about their work, simply because they are not presold in some way to the donor.

- Simplemindedness. This donor trend is related to the "star syndrome." It is reflected in the ability of some recipients and actors to convince donors, or those who put pressure on donors (Congress in the USAID case for example) that a new approach or method is right and another one is wrong.

These present trends are the more insidious for their mirroring of the nature of our late 20th century world. The sources of simplemindedness and other short-cuts are the very ones which provide all the fuel for any analysis of the environment for PVOs: global interdependence, the information revolution, and the rapidity of communication. Individuals and institutions are bombarded with stimuli and knowledge, with aspects of complexity

and interdependence that genuinely tax our thinking capacity. At the same time, our attention spans are increasingly "trained" to be shorter. Especially in the practice of development the resulting pressure of what Festinger called "cognitive dissonance" is exponentially increased.

We simply tune out what we cannot handle. To resolve the dissonance, we need to construct something intelligible. Thus we act as if we understand what is going on. Putting labels on things, and being product-oriented, pushing the money out the door without taking the time to think carefully about it, on the grounds that that careful deliberation is a naively hoped for luxury, is a common result.

What are these donor trends mismatched with?

They are fundamentally mismatched with many keys to the future success of development. Most important they do not allow for grantee organizations to build reflective and analytical capacity. Edgard Pisani has put this well:

"...since the 70s , NGOs in the North have grown more rapidly in their capacity to implement operations than in their capacity to reflect upon their activity." (Pisani, 1988)

A lot has been written about NGOs, most of it descriptive or partial. Not enough of it is what Pisani calls "interrogative." This interrogative mode is never likely to evolve internally in an NGO under the pressure to establish more projects and compete against a larger and larger field of players. If there is one key area where donor support would make a critical difference it is in the area of reflective capacity.

But the "project" mind-set and other donor tendencies work against this, since reflective capacity has no clear time-defined pay-off, and by definition the products of reflection are unpredictable. They may well even include serious criticism of the donors' own conceptual bases.

Since the larger donors are themselves bureaucracies and often entrenched stake-holders in their own organizational field, they are less inclined to want to take such risks.

Significant other mismatches between donor trends and future realities as well as between donor trends and the real needs of NGO actors also exist. We know for example that most success in grassroots poverty oriented development occurs from having taken the time to prepare carefully, develop relationships carefully, and nurture organizations and communities. And from having identified learning, focussed on certain sectors, built up knowledge over time, and especially from paying attention to the capacity of communities or groups to absorb resources, loans, training, or even the attention paid to them by development practitioners and donors. These increasingly accepted truisms

about development process are clearly not a good fit with present donor structure, culture or motivation. Fowler's 1989 study in Kenya makes the point about NGO absorptive capacity by referring to the "hour glass effect" - the fact that NGO capacity to help the poor is squeezed in the middle of an hour glass, at the top of which is the much larger "scramble" of donors for new grantees, and at the bottom of which is the also much larger demand of the poor for resources and support.

Finally, with respect to Donors' reluctance to fund overhead costs and other unglamorous, hard-to-see-results sorts of aspects, that reluctance clearly goes against the future reality that these are exactly the kinds of stable supports that organizations most need. It is the NGO capacity to absorb project funds which is unreasonably stretched when donors want to fund more projects with names on them, precisely because grantees cannot manage these without core funding for overhead etc.

2. WAYS TO THINK ABOUT THE MISMATCHES.

2.1 Some caveats and perspective.

The reader's temptation may be to throw one's hands up in the face of the above contradictions. It is all very well, the reader could say, to make the point that "the world is a seamless web" in which everything is connected, including the contradictions. But what does one do about it all?

The first thing to recall is that NGOs and US PVOs remain a relatively small part of the development industry. Their power is limited. Their acceptance by the establishment is also limited. The development industry remains a young one. That is why the above contradictions exist in such large numbers. It is to be expected that there will be a dynamic of oscillation between action /reaction, push and pull. In short we should not get too excited by all the above or too worried about it.

We need to strongly recall that the issue of PVO effectiveness has not been resolved yet. They are still not proven players in development. Even the fundamental question of whether PVOs/NGOs reach the poor (raised by Tendler in 1982) is still being raised. Fowler, this year, has done research in Kenya on such issues and as for NGOs' ability to reach the poor, states "It is far from proven that they are actually doing so." (Fowler, 1989, p. 15).

In fact as more research is done on what constitutes effectiveness, generalizations about the subject seem to be harder to come by.

As Anheir put it in discussing the widely-held belief that PVOs are fearful of bureaucracy because it seems to threaten their ability to work at the grassroots:

" The irony is that some PVO-projects are successful because they

are bureaucratic, while others are unsuccessful despite their non-bureaucratic approach." (Anheir, 1987)

The final caveat of course is the one we are most loathe to address - there is an underlying assumption that PVOs are here to stay; that they must find ways to survive and adjust. The very nature of this exercise (addressed as it is to help AID figure out how to help PVOs adapt to shifting responsibilities) is based on that assumption. But there is no reason to assume that US PVOs should survive.

In order to be most free to think about the implications of the shift in responsibilities, we have to be able to think in terms of new forms of organization, or at least allow for the possibility that some organizations will fail, or cease to exist in their present form.

3. WHAT IS THE COMPARATIVE ADVANTAGE OF U.S. PVOs?

At present we can talk about some comparative advantages of US PVOs which exist either because of the fact that they are U.S. based (that is, First world, in an environment of technical sophistication and with a pool of interested and motivated personnel to draw from) and a public, which at least has a partial interest in the issues) or because they in fact have built certain capacities which others (in the South) do not have.

The contradictions and constraints that were posed in section 1. can here be seen as providing new opportunities. Every set of constraints is by definition, at the least a new opportunity to sit back and regroup.

3.1 Access.

The US PVO above all has access to constituencies which by definition few other NGOs have.

The US PVO has access to the American population first of all. While the discussion of development education is often privately disdained as too narrow a function (and too unglamorous) a function for US PVOs to play, it is of critical importance for the future. The potential power of an intelligent role of the U.S. in foreign countries depends on an informed public and one which is capable of interrogative forms of discourse. That is obviously a long term project - if not one which will take generations. But clearly this should be a major emphasis of US PVOs and one which should be embraced actively rather than half-heartedly as it presently is by many.

Related to this US PVOs have access to the media. This means that there is an avenue for advocacy available to the US PVOs. It should be better cultivated as an ally in the development

education process.

US PVOs also have access to information and research. To date that is less taken advantage of, again because of the tendency to want to act rather than to reflect.

US PVOs have access to the international network, and to their counterparts elsewhere in the North. Unfortunately US PVOs by and large have remained provincial and uninformed about their colleagues in the other 18 OECD (Development Assistance Committee) nations.

Finally US PVOs have access to policy makers. Again the tendency thus far (when not avoiding policy makers altogether) has been to make use of policy makers to advance each PVO's own case and survival, rather than to educate and enlighten on issues. As Bratton has put it, one of the best predictors of sustainable development impact is the NGO's ability to cultivate a "sound working relationship with the powers-that-be." (Bratton, 1988).

3.2 Immunities.

By definition, US PVOs in foreign countries, while carrying a liability in some anti-US countries because of guilt by association, are also immune to accusations of being direct threats to local elites and power structures. US PVOs can play a protector role and act to grant temporary legitimacy or "cover" for local organizations.

They may also be able, very concretely to offer a safe haven from violence and other sorts of disruptive threats to Southern NGO work.

3.3 Space.

The constraints posed in section 1 are also good excuses for PVOs to sit back and see that they can occupy a different sort of space. By being increasingly released from operational and implementational sorts of duties, they can, if they can fund it, stop and reflect and spend time on research, on fostering experimentation and on better understanding the dynamics of their work. Contrary to standard hopes, thought and action perhaps ought not to always be asked to go together.

3.4 Programmatic or thematic advantages.

3.4.1 Food aid, disaster relief and refugee assistance.

Clearly, there are advantages for US PVOs deriving from the size of the U.S., and from its natural resource base. The U.S. produces surplus food, the U.S. has managerial capacity to deal with emergencies and the U.S. public is in fact still (and likely to remain) motivated to donate monies in emergencies.

Since the Third World is likely to continue to be a place where much turmoil will exist, there will be no dearth of natural disasters, local wars, and the movement of people that results from both.

More pertinent as a trend is the fact that poor people everywhere are less isolated from the mainstream modern world than ever. Their perceptions are much more shaped by what is becoming a universal culture of material expectations. Because more and more people are seeing more and more Things which others have, the depth of global "invidious distinction" is growing; that is peoples' perceptions that others are far better off than they. This expectational revolution is likely to increase the percentage of poor people in the world, as objective measures of poverty give way more to people's own subjective definitions of poverty. Thus poverty as "relative poverty" will increase. This in turn will fuel more movement of people, and conflict.

In short, there is no good reason why US PVOs should give up or should have given up on relief activities in favor only of development.

3.4.2 Environment and Women in Development.

US PVOs come after all from American culture. If history is a good indicator, the concerns of Americans are likely to eventually become the concerns of the Third World. While some of these are not now priorities in the Third World (because they cannot afford them) there is no reason why some US PVOs should not specialize in environmental awareness, and technically oriented environmental pilot programs in the Third World. Similarly there is room for US PVOs which would specialize in advocating and experimenting with programs aimed at improving women's rights, roles and status.

3.4.3. Business development in the context of economic development.

There are strong signs that economic development is making a comeback not only in ideological, but in practical terms. We are seeing more recognition that health problems, population growth, and poverty in general are symptoms of economic development not having reached the poor. Therefore a long term trend is to work on small business development aimed at the lower income levels. This attempt to deal with the causes of poverty, rather than just symptoms, is attracting more attention in the US PVO community.

Here is an area where comparative advantage inheres in the American culture and in the capacity of a growing number of PVOs. Much experimentation in small enterprise development is currently going on. This should be a major area of specialization and can be one in which US PVOs play a true catalytic role.

3.5. Advocacy and Development Education.

Some US PVOs should consider moving entirely into these areas and not simply combining them with action programs.

3.6 What topical areas should US PVOs get out of?

There may be no inherent U.S. comparative advantage in topical areas that deal with the symptoms of poverty, or which are truly grassroots based. One should ask the tough question whether US PVOs are not better supplanted by local NGOs in primary health care programs, in population programs and integrated rural development programs.

3.7 Regionalization.

The US PVO community should also consider concentration regionally. There is some tendency among donors to concentrate regionally. Again US PVOs should ask themselves why they are in certain regions. Is it because there is glamour, because of historical connections, because of founders' predilections? Are there in fact duplications of effort which result in no added value?

Should most US PVOs concentrate in our own backyard and in Africa and gradually move away from Asia, where Japan and local VROs are playing new roles?

4. WHAT SHOULD THE USAID/PVO RELATIONSHIP LOOK LIKE?

We started this paper by discussing the rapidity with which much thinking about PVOs/NGOs and the North South shift in responsibilities has become standard. If anything the discussion of the contradictions inherent in the present state of affairs should suggest that it is premature for any standard view, or for the kind of linear thinking that generates such views.

The standard views, both of the present and future environment for PVOs and of the challenge posed by the rise of the Southern NGO are not necessarily wrong. It is just that in the present world, the logic of linear progress, or the common sense view that because the world is more global and interdependent, PVOs also must become so, is too often refuted by events and real life examples.

Six months ago one would have felt secure in arguing that the reduction in cold war tensions would result in a new market for voluntarism in the Third World, and a new emphasis on development assistance. Now, with the events in Eastern Europe, one can just as easily argue a backfire effect - that the prospect of a new Marshall plan for E. Europe (with all the attendant nostalgia for a development assistance program that works and shows results

fast) will divert enormous funds and energies away from the Third World and from PVOs/NGOs.

In short, an agnostic stance (premised on admitting that one does not know) is now truly the right one to take vis a vis the future of PVOs. For USAID, this would mean a significant degree of openness to diversity and experimentation, and care not to throw out "the baby with the bathwater." It is time to slow down and be friendly, but skeptical to all comers.

This paper has tried to show that PVOs are caught right now in a web of contradictions and mismatches between different actors, roles and agendas. Their power to change is consequently more limited than has been thought. In particular they are dominated by the donors. Thus the ball is really in the donors' court right now and this means that USAID has real power and potential to instigate change in the shift in responsibilities that US PVOs are faced with.

It is USAID that therefore will need to muster up the courage to deal thoughtfully with its donor predilections, with its constituents (Congress), with its internal funding culture.

Being open and experimental does not mean USAID should have no standards vis a vis what is expected of PVOs. Indeed, USAID should become more demanding, in terms of really examining what PVOs say they do and can do. It could become less reactive to fads, more aware of the research that is being conducted within its own house. In effect, more institutional "intelligence" is needed.

These are hard changes to institute. But bureaus such as PVC have already been on the track of some of these things.

An institutional setting such as the proposed PVO Center would be a convenient home for dealing with many of the issues discussed in this paper.

Of primary importance would be the encouragement (and funding) of internal reflective capacity in US PVOs.

Research could be fostered which would look into PVO governance issues, especially the mechanisms for globalizing organizations through multinational boards, staffs and structures.

Experimentation with exchanges of staff between North and South, and between South and South could be coordinated here as well.

Experiments could be fostered in cross-evaluations, where indigenous NGOs are encouraged to evaluate US PVO work.

Research in a number of areas could be coordinated with work going on elsewhere. There are a great many research questions which are being worked on, and little means to coordinate the

work (see Dichter and Fisher, "Report to InterAction Development Assistance Committee, October, 1988).

CONCLUSION

With the development industry in the throes, yet again, of transition and with PVOs in spite of their facade of calm, trying to catch their breath, USAID needs to become a stable refuge; a more solid institution. The challenge will be to do this and not have a highly specified topical development agenda. What is needed now is not for AID to get behind yet another "decade of..." type of agenda (as in Basic Human Needs, or Private Enterprise). That is no longer a sensible or responsive way to slice up the world. Rather the appropriate way is to recognize what the last 40 years have been telling us - development in the fullest sense is not a set of tasks, but a hugely complex set of interacting and intertwining phenomena. Whatever it is, it appears to take much time. Therefore one agency, one set of institutions cannot really "do" development. It can and should continue to poke and tinker, encourage and cajole, and continue to try to integrate what we learn as things move along.

We certainly have no good reason to think we have found the magic bullet yet. And thus no reason to think that experimentation or pilot programs are over.

While I do not want to suggest that AID too should get on the "thousands points of light" bandwagon, I do think that with respect to the PVOs at least, AID can begin to think of itself more as a stable resource for, and donor to the 250 or so PVOs registered with it and encourage thoughtfulness, rigor, and, within a framework of comparative advantage (as suggested in section 3) a diversity of approaches to development.

With the large number of PVOs registered with the agency (a clear indicator of AID's desirability as a donor), a record of considerable achievement in nurturing PVOs, and with the enormous potential represented by its field presence, USAID is poised for much greater leadership in the PVO/NGO world than it now exerts. But it really needs to come to grips with some of the classic donor characteristics that it has itself recognized (see the Woods report: Development in the National Interest). The key is courage.

While the wise cynics will say that a government agency cannot change, or cannot change much, perhaps this committee, with a clear enough voice, can help prove them wrong.

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