

# The end of the Golden Age of NGOs?

by Chris Roche and Andrew Hewett

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*This is a two part blog-post based on a paper presented to the [ACFID University Network Conference on 'Development Futures'](#).*

International non-government organisations (INGOs) are facing significant challenges – but also opportunities. These challenges go to the very heart of INGOs' identities as effective agents for social change and justice.

The challenges and opportunities arise from unprecedented changes in the development environment as well as changes in the INGOs' key relationships – with partner organisations such as NGOs, Community Based Organisations, communities and governments in developing countries, with funding agencies, especially official development agencies, and with their supporters in their home countries.

Some have argued that INGOs have had a 'golden age' [pdf] but that this may be coming to an end (if it hasn't done so already). By a golden age we mean that INGOs were seen to be making a distinctive contribution to the eradication of poverty and injustice, were seen to be trusted and credible actors by their supporters in rich countries, were seen to be effective intermediaries by official development agencies and had privileged access to international forums. They were also seen as effective partners by many, if not all, civil society groups in the developing world. They operated in a climate where their broad concerns enjoyed high level political support. This trust and credibility with supporters and official agencies resulted in their income growing to unprecedented levels.

Many of these 'strengths' have also been seen by some as key weaknesses of INGOs, that is: that the trust they built was based on simplistic or distorted communication of their contribution and the development process; that their access to international forums and high level political support crowded-out other voices and was self-serving; and that their 'partnership' with civil society elsewhere was a sham. Indeed there has been a long-standing critique of INGOs as being: [too close to their governments](#); [anti-politics machines](#); complicit in being part of an aid

'industry' that has performed poorly and is unwilling to change; and the **vanguards of neo-liberal** models of development.

There are five changes in the development environment which we see as especially critical for INGOs:

- **The massive reductions in income poverty in countries like China, India and Vietnam but also the persistence of chronic absolute poverty, albeit at reduced levels.** These gains should be celebrated and understood. Central to that understanding is that development assistance — be it official or NGO — has arguably had little of a **direct** role to play in this achievement. The evidence of the role of aid however in contributing to improvements in some areas of education and health provision is **thought to be more convincing**, and this has, in all likelihood, made a contribution in creating the enabling environment instrumental in achieving the reductions in income poverty.
- **The growth of multi-dimensional inequalities which have become the underbelly of global prosperity.** The vast majority of the world's poor — some 74% of the 'bottom 1.4 billion' living on less than \$1.25 a day — **now live in middle income countries** [pdf].
- **The increasing number of people affected by humanitarian emergencies with a global humanitarian system under-resourced and under real strain.**
- **The impacts of climate change, which are multi-faceted.** Climate change doesn't just increase the chances of humanitarian emergencies but it also has **serious consequences for livelihoods, peace and security and disease patterns.**
- **Official Development Assistance is increasingly in a state of flux.** Funding is being reduced, donor scrutiny and '**results-based management**' is increasingly dominant, new aid donors are emerging and **domestic political concerns** are becoming more visibly explicit.

The traditional intermediary role of INGOs is increasingly being challenged. The essence of the traditional working model of an INGO has usually involved garnering financial support in rich countries (be it from public fundraising or grants from Official Development Agencies) that is used to provide funds to partner organisations (usually local NGOs or Community Based Organisations but sometimes local governments) in developing countries. In some cases, an INGO may directly implement development projects, rather than through working with — or through — a local organisation. INGOs' intermediary roles have traditionally included project and program design, capacity building, monitoring and evaluation, specialist and technical assistance, and the like. An INGO might also facilitate links or networks amongst various partner organisations as part of a program. Many INGOs integrate community education, advocacy and campaigning in their domestic environment, giving more 'added value' or 'leverage' to their interventions.

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This go-between role is under challenge from supporters in rich countries who are looking for more direct engagement, from civil society in the south, which in many cases has developed greater strength and capacity than northern INGOs, and from official aid donors who are ‘leapfrogging’ INGOs and directly relating to southern civil society.

Indicative of the changing demands of rich country supporters is the growth and development of [Kiva](#). Founded in late 2005, Kiva facilitates direct linkages between donors and developing country communities through the provision of micro-credit loans. In less than eight years it has distributed over \$US 450 million in loans from nearly one million lenders to over one million borrowers.

Illustrating the changing approach taken by official donors is that the NGOs receiving the greatest funds from (the former) AusAID was BRAC in Bangladesh — without any involvement by an INGO.

We believe that we are seeing a number of changes in the environment within which INGOs work, and in their relationships with their stakeholders that produced disruptions to the current status-quo. Our conclusions are [similar to work](#) that has been done on the aid sector more broadly, but we are less convinced that INGOs are likely to be ‘winners’ in this shake-up. In our next post we will explore what INGOs might need to do differently if they are to flourish in the coming period, and take on board some of the critique they have faced.

*The findings presented in this blog post are taken from a presentation that the authors will deliver at the 2013 ACFID University Network Conference ‘[Development Futures: Alternative pathways to end poverty](#)’ held at the University of Technology Sydney, November 21-22, 2013.*

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