

NGO dependency not the real issue: a response to Joanne Spratt

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Date : October 12, 2012



I was struck by Joanna Spratt's Development Policy [blog](#) about NGOs' dependency on government donors, and Banks and Hulme's related critique which she summarises as:

Banks and Hulme's key argument is that NGOs have increasingly become donor-dependent, donor-driven, service providing entities. In the process, they have moved away from their foundations as grassroots-connected, participatory, bottom-up, political entities that aim to achieve empowerment and transform the structural causes of poverty.

Of course, the fear of NGOs losing their political edge due to government funding is not new, and was first aired by Jorgen Lissner back in the mid-1970s with his book [The Politics of Altruism](#), and there has been a lot of hand wringing among NGOs and academic commentators on this issue ever since. Most notably was in the 1990s when, after a burst of increased official funding of NGOs' programs through the 1980s, Michael Edwards and others argued that NGOs were [Too Close for Comfort](#) (to government that is), and they have lived off that assertion ever since. Their argument is based on a romantic view of NGOs as being about broad social change through social movements when most NGO aims are more prosaic and focus on community development and local level empowerment.

The evidence of increasing dependency, however, is hard to find: the level of government funding to NGOs to some extent reflects the political cycles of donor governments. Social Democratic governments generally see support of NGOs in aid work as worthy of support because there is sharper and more direct poverty and basic needs focus, while conservative governments with a stronger individual and market focus, generally do not support NGOs as much, and tend to wind funding back. Take the record of the Howard government in Australia, the Harper government in Canada, the Key government in New Zealand, and the Rutte government in the Netherlands as being cases in point with their heavy cut backs of support to NGO aid programs, when they were/are in power.

In Australia the high point of being 'too close for comfort' was in the mid-1990s when some eight per cent of ODA went through NGOs, and 30 per cent of total NGO funding came from AusAID sources (as highlighted in this [ANAO report](#) [pdf]). This was hardly a case for dependency even at that time, but by 2011 (according to the [ACFID Annual Report](#)) this figure had dropped to four per cent of ODA and only 15 per cent of NGO funding came from AusAID, with the rest coming from the agencies' own public appeals and other

international donors. So much for the 'increased dependency' that Banks and Hulme argue and Joanna picks up on.

These discussions however about dependency invariably are connected to questions of NGOs effectiveness. While there is little in the public space on overall NGO effectiveness what there is generally positive. In 1995 at the height of the 'dependency' debate in Australia, an AusAID review of NGO Effectiveness ('Review of the effectiveness of NGO programs', not available online), which involved looking at a sample of all of the projects funded by AusAID under its NGO subsidy scheme, over the previous five years, found them to be effective in meeting their objectives for the vast majority of their work. Similarly in the UK in 2010 the [National Audit Office](#) [pdf] found that 80 per cent of NGO projects were largely successful. Despite this almost overwhelming evidence, questions still keep being asked if NGOs are effective and deliver 'value for money'. Jo Crawford argues, in relations to gender issues in the [ACFID Report of Aid Effectiveness](#):

There are real risks that a narrow focus on 'value for money' may work against the long-term, complex, holistic work required to overcome gender inequality and discrimination and enable women's empowerment.

The question of value for money hinges of course on the time period. A focus on too short a period for issues such as gender justice or social change may not show meaningful results, and so on this basis funding may be cut, and a lot of good work end up being lost. The other issue worth reflecting on is whether value for money measures, and results-based planning, can easily co-exist with the notion of participatory development, where the voice of the local communities and the aid recipients are what is being listened to, one of the hallmarks of NGO work. The problem is that value for money is seen through the lens of economy, efficiency and effectiveness, while NGOs might see it as something more structural. The British NGO Christian Aid [sees it](#) [pdf] not as *economy, efficiency and effectiveness* but as *scale, depth, and inclusion*:

Value for Money as being about achieving the best results we can with the money and resources we have. In defining the 'best' results, we are concerned with **scale** (numbers of people benefiting), **depth** (intensity and sustainability of change) and **inclusion** (in other words, a change has greater impact if it benefits people who are more excluded and marginalised).

Of course this can only happen if the aid recipients are involved in these planning and implementing processes. The results-based development and value for money agendas are one of the [Challenges to Participatory Development](#), the theme of an ANU Conference next month with Robert Chambers, one of drivers of the notion of participatory development, and a critic of some of the results-based agenda, who argues for [alternative approaches](#).

Now if we bring this discussion back to the issue of NGO dependency the issue [that concerns NGOs](#) is not one of the volume of money coming from government to NGOs, but rather the disproportional leverage that government might have in shifting the agenda from participatory development and participatory approaches, to one based on a narrow focus on short term easily measured externally defined results.

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