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Viewpoint

Relevance in the twenty-first century: the case for devolution and global association of international NGOs

Alan Fowler

Introduction[1]

In 1992, *Development in Practice* published an article setting out the decentralisation choices and trade-offs faced by Northern and Southern non-governmental development organisations (NGDOs) (Fowler 1992).[2] This paper reviews what can be learned since then and what might lie ahead for Northern NGDOs (NNGDOs).

What does organisational decentralisation mean? What types of decentralisation can NGDOs choose from and what appears to be occurring? Answers to these questions are set out in the next section, which is followed by an analysis of the pressures and forces involved in choosing between different forms of decentralisation. These point towards devolution as a preferred option. The final section argues that globalisation calls for a truly international response from NGDOs, namely the formation of global associations. Together, 'downward' devolution and 'upward' association are the strategic response that international NGDOs must follow if they are to be relevant players in shaping the type of 'globalisation' they want in the twenty-first century.

The discussion is complicated because decentralisation takes on different features for different types of NNGDO. Specifically, important differences emerge between those which are themselves operational such as CARE, ActionAid and World Vision, and those which fund but do not themselves implement programmes in the South, such as Novib and many US foundations. Here, operational NNGDOs will be referred to as transnational NGDOs (TNGDOs) and non-operational funders as international NGDOs (INGDOs). Together they form the Northern NGDOs referred to in this paper.

A word of warning is needed. There is little publicly available documentation about what lives within NNGDOs as they strategise and make their choices and moves towards decentralisation. Consequently, this paper must be read with caution as, of necessity, much herein is based on observation and conversation, not on freely available documentary evidence.

Decentralisation for Northern NGDOs: concepts and practices

What does decentralisation mean and why is it significant for NGDOs? This section begins by answering these two questions. It continues with observations on what is happening in terms of the options available and the choices that NNGDOs have been making.

What is decentralisation in the context of NGDOs?

At its core, decentralisation has to do with the distribution of authority, i.e. power, over goals and decisions about how resources are gathered and applied. Put another way,

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decentralisation is about the degree to which power is held in a central place—usually the top—or distributed downwards within, or outwards from, an organisation. This is not the same as, but is often confused with, the allocation of responsibilities for the tasks over which authority is exercised. For example, a programme manager's task may be to create and oversee a budget but not then to approve expenditures within it. In this set-up, he or she has responsibility without authority.

There are basically three types of decentralisation:

- *deconcentration*: responsibilities and tasks are allocated downwards in the organisation, but authority remains at the top or the centre;
- *delegation*: both responsibility and authority are assigned to lower levels of the organisation, e.g. to regional or country representatives or directors and, perhaps, to area or local managers and/or to field workers;
- *devolution*: is far-reaching in that authority for achieving an organisation's goals, mandate, and functions are allocated outwards to—and hence shared with—(legally) autonomous organisations.

There is always an element of NNGDO devolution in effective micro-development. Why? Because best practice in working with communities of poor and/or marginalised people (whether organised in community-based organisations (CBOs) or in grassroots organisations (GROs)) requires the creation of empowering relationships with them. This calls for authentic participation, which means negotiating key development decisions with the people. To some degree, the sharing of authority with CBOs or GROs always places decisions outside a manager's or staff member's sole span of control. While a significant factor in the effectiveness of an NGDO's development work, this paper does not look at the critical aspect of 'devolution' to CBOs. Instead, our focus is on delegation within and devolution between NGDOs.

What have been the trends and why?

It is ever more difficult to find examples of long-term deconcentration in NNGDOs. Why? Because, for example, decentralising tasks to regional offices, without giving any substantive authority, adds a layer of bureaucracy without significant gains. It can also introduce conflicting advice and, for Southern partner organisations, confusion in communication with the real decision-makers, especially in the North. These were some of the reasons why, in 1992–1993, Novib phased out its regional offices, replacing them with local consultants.

Experience also suggests that to equate decentralisation with simply replacing expatriates with indigenous staff—often as a cost-saving measure—creates a veneer of change that, for reasons of culture and allegiance, is not readily matched by a continuity in trust with the new incumbent. In reality, while power may appear to remain the same for indigenous staff, often there is a subtle re-concentration of authority. There have been enough problems and negative feedback from indigenous staff within NNGDOs to show that this approach to decentralisation is seldom viable in the long term.

Where deconcentration remains, it tends to be in the form of specialist technical support functions (either staff or local consultants). These human resources typically assist in writing proposals, capacity building, and designing evaluations; and act as the eyes, ears (and uncertain voice) of those far away. A cost-reducing variant is to locate regional technical staff within country offices as a way of reducing overheads and, on occasion, because of registration and work permit problems. Trends suggest that deconcentration seldom generates

significant organisational returns when set against the costs. This paper, therefore, focuses on the other two types of decentralisation.

For reasons detailed below, internal delegation is becoming almost a common approach to decentralisation among NNGDOs. Normally, this involves allocating authority to regional and/or country staff, typically bounded by a centrally approved strategic plan and annual reports. However, we argue here that internal delegation will, in fact, need to be seen as an interim step to eventual devolution and new forms of NGDO organisation that are truly international.

Why (not) decentralise?

Under most conditions, decentralisation through internal delegation or external devolution makes NNGDOs more effective because it helps them better respond to the diverse, often unstable, settings in which they work. In principle, allocating decision-making authority closer to the point of action enables participation that is more meaningful and greater potential for empowerment of local NGDOs and CBOs. Both are essential factors for gaining local ownership, commitment, and sustainability of impact (Craig and Mayo 1995). Common drawbacks to decentralisation, however, are a possible erosion of NNGDO identity; more complex and hence weaker accountability; empire-building; unhealthy dominance or interference of funders due to their physical proximity; loss of quality control; and enhanced potential for fragmentation of effort, typified by incoherence in development approaches and conflicting interpretation of policies. These factors reflect both strategic and operational drawbacks.

The issue for NNGDOs is how to reinforce the benefits of decentralisation while limiting the costs. This challenge is made more complicated by the context of aid thinking and practice within which all NGDOs must function in the next century. Specifically, Northern NGDOs must approach decentralisation in a context where the service-delivery and policy-influencing capacity of *local* institutions are seen to be fundamental to success in sustained poverty reduction as well as being a prerequisite for the strong civic expression associated with good governance.

Forces pushing towards Northern devolution

Since the late 1980s, several factors have been pushing NNGDOs in the direction of decentralisation in general and devolution in particular. At least six forces are significant:

- pressure from Southern NGDOs;
- donor policies and preferences;
- direct, in-country donor funding;
- concerns about NGO performance;
- enhanced communication technologies; and
- within globalisation, economic and political regionalisation.

Southern pressures

Although uneven across the world, Southern and Eastern NGDOs are increasingly uncomfortable with their Northern counterparts doing development for them. The arguments against an in-country operational role for TNGDOs stem from many things. These include: nationalist sentiments; disappointment with supposed partnership arrangements; inconsistencies due to staff turnover; and, perhaps most importantly, increasing support for the notion that the problem of development is less to do with lack of resources to be made good by aid transfers and expatriate expertise than with local leadership, institutional arrangements and capabilities, and the policies required to mobilise and use existing resources well (Riddell 1996). This perspective diminishes the justification for the presence of foreign agencies.[3]

It is beyond the scope of this paper to assess the evidence and merits of this position. Nevertheless, they would appear to be firm enough to adopt, as a working proposition, that the nature and measure of development cooperation are shifting from issues of quantity to quality and to a diminishing contribution of aid as such in how countries eradicate poverty and injustice. Consequently the strength of *indigenous* NGDOs in terms of their number, size, diversity of activities, economic rootedness, and mutual and social relations, becomes a critical factor in national development capacity. This points to devolution as a long-term NNGDO strategy.

Many governments of the South and East are also becoming less happy with NNGDO operations and presence. For example, Eritrea recently asked a number of NNGDOs to leave the country. Why? One reason is that NNGDOs are seen as an embarrassing signal of the failure of local institutions to do development themselves. Foreign-funded services and agents may also provoke public questioning about the soundness or legitimacy of the regime and government. In general, NGDOs are also perceived to fragment service-delivery, while diverting resources from public provision. In addition, foreign NGDOs are viewed with suspicion, in part because of a coupling of the aid and foreign policies of Northern governments on whose funds many NNGDO increasingly depend (Bowden 1997). Further, NNGDOs adopt positions on national issues and exert influence in the international arena and media, especially on donor policies, without meaningful political accountability (Jordan and van Tuijl 1997) thus further eroding an already aid-threatened sovereignty. This is creating a G-24 backlash (Mohammed 1997), typified by more stringent registration and operational requirements, restrictions on tax privileges, work permits and so on. Pressures to leave or become local are on the increase. Again, devolution is one solution.

Donor policy pressures

Often, using the arguments of capacity building and sustainability, Northern donors are encouraging or requiring NNGDOs to work with and through or even to become local NGDOs. For example, as a condition of further financing, USAID required Family Health International at the local level to incorporate the country structures it had established as part of its AIDSCAP project. Generally, and tied to the policy of direct funding described below, donors are increasingly interested in financing local organisations or tying their domestic NGDOs to this strategy. The premise is that donors' capacity-building goals are served by having more local NGDOs to work with; and transforming a foreign project into a local NGDO is one way of achieving this. One usefully documented example of a transition from a donor project to local NGDO is PACT/PRIP in Bangladesh (Holloway 1997).

The connection that donors make between devolution and capacity building seems clear cut. However, the link between devolution and sustainability is fuzzy. What seems to be at play is the idea that a local NGDO will be in a better position to raise alternative, local, or complementary finance than a donor-funded project. Hence, there is assumed to be a greater chance of continuity once the donor withdraws. In other words, pushing for NNGDO devolution is, in fact, part of a donor exit strategy.

Direct funding

Recent years have seen a significant shift in the availability of resources within countries of the South and East. Occasionally this shift arises from budget allocations made by national governments, as in India. More often, however, the origin is bi- and multilateral aid that is increasingly disbursed directly from agencies' local offices, or via governments from development loans (Patel and Jorgensen 1998). Examples of the first are to be found with British government

funding in Bangladesh and Kenya. An example of the second are the social development and adjustment compensation loans made available by the World Bank, and which have a strong NGDO implementation component (Heiser 1994).

Given this trend, it makes economic sense for NNGDOs to delegate authority for in-country fundraising, which are what many are doing. For example, the country offices of CARE-US now raise some 60 per cent of development (not relief) finance within the South and East. As Smillie (1995) points out, in taking this step TNGDOs have advantages over their local counterparts. Why? Well first, a transnational with a presence in donor countries can lobby at both ends. Second, they can transfer (people with) knowledge about donor quirks and practices across countries. Sharing this capacity makes proposal writing, negotiation, and so on much easier. Third, donors are still predisposed to 'tie' their aid to their domestic NGDOs. They do this in part to maintain an aid lobby back home, in part because communication in national languages is easier, and in part because of a higher degree of trust and ability to sanction using domestic pressures, studies, procedures, and laws.

All of these factors place Southern and Eastern NGDOs at a significant disadvantage. However, the size and strength of the local NGDO community may determine the extent to which NNGDOs can get away with the lion's share of direct, in-country financing. This does not happen in Brazil, India, Bangladesh, or the Philippines, though it does in Cambodia and Ethiopia. Making good the weakness of a local NGDO community by locally incorporating and then devolving foreign NGDOs is one route. This strategy can respond to criticism of unfair advantage and also bring with it a useful transfer of donor-oriented 'technology'.

NGDO performance

It would appear that NGDOs do not perform very consistently or well overall when it comes to achieving their strategic goals and missions. A series of (disconnected) donor-funded studies suggests that NGDOs are generally effective at producing outputs from development projects. However, they are seldom as effective in achieving impact if this is understood as the sustained alleviation of poverty for really poor people or the communities with which they work (ODI 1996; Kruse et al. 1997; Fowler 1998). A number of reasons are attributed to this.[4] One is the lack of authentic participation owing to the disempowerment of NGDO front-line staff who do not have sufficient authority really to negotiate with communities. Hence, people's 'voice' does not become translated into shared power over decisions. This failing has negative consequences for the local ownership that sustainability requires. Consequently, to improve performance, pressure builds up to empower from within by spreading authority downwards. The issue—especially for TNGDOs in the short term—is not if, but how, to decentralise in an integrated way. And to do so in a way that capacity limitations are not shifted from one place to another, thus giving rise to additional problems.

Communication

Improved communication can also act as a force for or against decentralisation. On the one hand, satellite telephones and e-mail make it possible to keep managers in the North frequently informed about problems and possibilities on the ground and ask for their decisions. In other words, centralisation could work better. On the other hand, better communication can act as a confidence-building measure for the centre when authority is delegated or devolved. In other words, modern communication can facilitate decentralisation. It does so by helping to mitigate the fragmentation that can easily occur when reasonably autonomous parts of an organisation do not know and share information about what they are

doing with each other, as well as with the centre. On balance, it looks as if the availability of modern, mobile communication is being used as a factor supporting the other pressures for decentralisation described here, so adding to their weight.

Regionalisms

Globalisation has become the buzzword in today's NGDO strategic thinking. Less talked about, but of equal significance, is the economic and political regionalisation going on within global integration (e.g. the European Union, the Southern Africa Development Community [SADEC], the Economic Community of West African States [ECOWAS], the Association of South East Asian Nations [ASEAN], the Mercado Común del Cono Sur [Mercosur], and the North American Free Trade Area [NAFTA]).[5] Having a regional approach has long been part of NNGDO organisation. But their regions are cobbled together without a firm developmental logic. The advent of regional groupings, which are meaningful in economic, political, and institutional terms, calls for a similar approach from NGDOs. For example, the influence of preferential trade areas (PTAs) on local producers needs to be seen from a regional rather than a global perspective. Analysis of, and effective impact on, regional institutions requires being there. This, in turn, acts as another force for decentralisation.

NGDOs can also define regions in terms of their own insights. For example, in East Africa, regionalisation chosen by Norwegian Church Aid derived from analysis of, among others, human (seasonal) migration, patterns of insecurity, flows of refugees and internally displaced persons, informal cross-border trade, and ecological factors.[6]

Overall, devolution is emerging as the preferred response to both internal and external pressures facing NNGDOs today. But devolution to more national and local NGDOs must not lose the necessary perspectives, linkages, and advantages of international relations and capacity to act globally. This is where investment in global associations comes in.

Building upwards: forming global membership associations

Crudely speaking, devolution is a case of letting go downwards from a Northern centre to autonomous NGDOs with shared ideals. But this investment in local capacity must also respond to the interdependent poverty-inducing, marginalising forces being propagated by globalisation and its instruments: the World Trade Organisation (WTO), the Multilateral Agreement on Investment (MAI), the Bretton Woods Institutions, and transnational corporations, to name but a few (Korten 1995; Malhotra 1997). Consequently, to increase their impact, NGDOs within a given country need to link and ally upwards. In order to do so, there are major associational variants from which NNGDOs could choose.

From the perspective of a global association between devolved, autonomous entities, membership-based options seem most appropriate. It is beyond the intention of this paper to detail the major alternatives and differences between them. Relevant publications are cited below and more are sure to come because of the attention the issue is receiving (Young et al. 1988; Edwards 1998). However, NNGDOs such as the World Wildlife Fund and World Vision are already well on the way to a fully international status, no longer rooted in and governed by one national history. Both are comprised of locally incorporated organisations worldwide with global governance made up of national bodies. This does not, yet, mean that all are on a democratic par with each other, because the members providing funds can inevitably end up as the first amongst equals. But the necessary foundations for a democratic, truly international, NGDO have been laid.

Other NNGDOs have already started to invest in a variety of types of global association. The Save the Children Alliance and Oxfam International are emerging examples. Already, Southern NGDOs operating under the Save the Children name are included in the Alliance, though this is not yet the case with the Oxfam 'family'. Others, such as CARE International and Plan, are governed solely by the funding countries and do not have locally incorporated and governed entities in countries of the South or East.

Experience shows that there is no one path to form global associations of whatever type. It depends very much on who you are and where you are starting from. But there are some important pre-conditions:

- A sufficiently strong, clear and shared vision of what the association is to be.
- The vision must be allied to a strong enough set of shared ideals for independent entities to be willing to forego part of their sovereignty for the common good and agree on sanctions and modes of compliance when doing so.
- There must not be too severe an imbalance in terms of resources, size, experience, and domestic constituency. If there is, the stronger members must see it as an obligation and in their interest to invest in the weaker members for the common good. Without this principled acceptance, the first-among-equals syndrome will stand in the way of developing a shared global identity and truly international—as opposed to a 'many-nations'—reputation. The result will be a supra-national shell that does not become more than the sum of its parts. Is this outcome worth the investment?
- In associating globally, NNGDOs must face up and be prepared to overcome the psychological barriers of their relative disempowerment. For this is a necessary condition for the empowerment of the South and East—seated around the same table with the same voice, votes, and rights. Few global associations emerging from NNGDOs are yet close to this condition.

In conclusion, the rule of thumb is not to embark on forming global NGDO associations if the pre-conditions are not in place and cannot be created.

Conclusions: towards true democratic internationalism—balancing devolution with federation

Together, the forces described above are seriously challenging NNGDOs, especially the TNGDOs, to transform themselves. The demand is to move from being transnational in name to truly international in organisational perspective, nature, and practice (Taylor 1997). To do so requires balancing devolution with the evolution of truly international forms of NGDO organisation and global systems of governance.

What upward federation brings with it is international democracy. For, democracy is not solely an issue of the politics of governments and states, and is a weakness for many if not most NGDOs. Organisational democracy is a necessary condition if truly international NGDOs are to be able to improve both internal and external accountability. It is also a necessary condition if, as a part of civil society, international NGDOs are to push for democratic reforms global governance and corporations. In other words, devolution and federation are a strategic contribution to a global citizens' agenda of gaining 'civic compliance' both from those who regulate and enforce, and from those who control production and distribution of the goods and services that society values (Bendall 1998).

This paper argues for a long-term future where devolution to local entities will be a central feature in the decentralisation of NNGDOs. This is likely to be a contested view, in part because of the radical implications that this move implies. But, in fact, the argument for devolution is simply a logical consequence of realising the goals in local

capacity development and policy advocacy that most NNGDOs already espouse (James 1994; World Vision 1997). Achieving this future will therefore be a sign of success not failure. The challenge is to factor this desired outcome into the long-term thinking, vision, and journey of self-development of Northern NGDOs.

Notes

1 A revised and shortened version of a paper presented at a seminar organised by the International NGO Training and Research Centre (INTRAC) in December 1997.

2 As a shorthand, North is used for the OECD countries and the corresponding domestic NGDOs that are involved in international aid and development. The South corresponds to the traditional recipients of aid, and East for countries of Eastern Europe and the former Soviet Union that are now also receiving foreign assistance.

3 It also raises the question of whether or not solutions to internal limitations of leadership and capabilities—rather than lack of external inputs—are amenable to time-bound (project) aid (Fowler 1997).

4 An important omission in these studies is that they do not take into account the pre-conditions for NGDO effectiveness set up by donors in the first place. By concentrating on the impact of NGDO projects, donors have shielded themselves from critical investigation. This is not only unfair, it doesn't help in improving the system, which is what is needed. Donor behaviour is part of the problem as well as part of the solution to enhancing NGDO effectiveness.

5 According to *The Economist*, tariffs within PTAs are being reduced faster than they are between trading blocs, which may lead these to use tariff borders to keep other blocs out.

6 NCA Regional Strategic Plan 1996.

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Northern words, Southern readings

Carmen Marcuello and Chaime Marcuello

Introduction[1]

This paper presents two sides of the same coin: certain words used in the North, and a reading of their effects in the South. Firstly, we summarise the recent evolution of Spanish non-governmental development organisations (NGDOs), which have gained in social visibility and prestige as a response to socio-political changes that have taken place in Spain. We then present a reading of the work of these NGDOs from the perspective of various Southern actors. We show instances of a kind of perverse inertia that undermines precisely what it is they are seeking to do. Thus, in Central America, recipients of foreign aid identify two extremes which we call *living by the wound* and *the project culture* (also known as 'projectitis'). If NGDOs want to meet their goals, they must guard against these unintended effects.

Northern words ...

Spanish NGDOs

Like other social movements in Spain, the history of NGDOs is tied up with the country's socio-political evolution. To understand the backgrounds of these social movements, we must take into account the almost 40 years of the Franco dictatorship (1939–1975) and subsequent developments. The dictatorship conditioned the forms, models, and history of social movements, within a highly authoritarian context. Political and social action was thus defined as