NGOs are more effective at facilitating development than governments?

**Introduction**

Since the 1980s non-governmental organisations (NGOs) and governments/states have become inextricably connected within international development. This paper analyses the role of NGOs and the state in African development and how relationships between the two can be both problematic and beneficial. The paper is structured into three sections which will explore economic, political and human development. A point of reference throughout the paper will be the mushrooming NGO populations in Africa in the 1990s as part of the New Policy Agenda, rooting them in neo-liberal and democratic ideology (Leftwich, 1993). The analysis broadly refers to northern funded grassroots NGO operations, presenting a subsidiary analysis of top-down versus bottom-up development. While the reader must be aware that international NGOs have become increasingly influential in global development policy on poverty alleviation, sustainable development and human rights (Madon, 1999), this requires extensive analysis which is beyond the scope of this investigation.

Economic development from a state led perspective is the first topic addressed, using Botswana, South Africa and Uganda as bridges between theory and practice and the Asian tigers as a challenge to hegemonic western ideologies. The focus then shifts to the role of NGOs as facilitators of bottom-up development, through micro programmes and technical assistance. Finally an overview of NGO and state interactions is presented.

Secondly, the paper analyses the role of the state in political development through highlighting the state as the only body capable of challenging hegemonic ideologies in pursuit of effective African alternatives. The role of NGOs is then explored in terms of
mobilising civil society and facilitating participatory development. Uganda and the Asian tigers feature as the main points of reference in this section.

Thirdly, the role of the state and NGOs in providing social services such as health and education is analysed in the context of the human development paradigm. Uganda and Somalia are the countries of reference in this section.

Finally, overview of the analysis is presented before insight on emerging discourses which will affect the roles of both NGOs and the state in development is offered.

**Economic Development**

While international development approaches have become increasingly multidimensional, the economic imperative has endured as the central focus of poverty reduction strategies (Unwin, 2004). The millennium development goals expose the economic agenda of international development as they widely default to money-metric indicators of poverty and strongly prioritise fiscal solutions and reforms (UNDP, 2010; Vandemoortele, 2009). This is problematic because it naturalises definitions of poverty in absolute terms. Botswana, Uganda and South Africa serve as practical examples of why such money-metric approaches are problematic, as positive economic growth in all three countries did not inspire the level of human development neo-liberalists anticipated. However, there remains consensus that real development is impossible without growth across all development disciplines (Asante, 1991; Easterly, 2006). While appreciating that various definitions of economic development exist, this paper addresses economic growth, wealth disbursement and income generation as the main focus of analysis.
As the failures of 1980s structural adjustment programmes were realised in the 1990s, left wing development thinking retook precedence and recognition of the crucial role of the state in economic development was reignited (Menocal, 2004; Therien, 2002; Zaidi, 1999). The UN now advocates the state as being central to economic and social development, setting a precedent where arguments supporting the role of NGOs are secondary, however not peripheral, to arguments advocating the state as the key facilitator of development.

Polanyi (2001) argues that markets exist by design and its success depends on continuous institutional control and manipulation by a central, omniscient body. Menocal (2004) further argues that the state has been the only institution capable of providing the infrastructure, power and knowledge to promote the exchange of goods and facilitate economic growth. The state has unparalleled geographical centralisation, monopoly of power and administrative capacity, enabling the implementation of cross sector, holistic strategies based on unique national structures and assets (Brohman, 1995). Alongside the emergence of poverty reduction paradigms in the 1990s, with the support of international development institutions, left wing bilateral donors began prioritising state capacity building as a means of constructing economies and implementing pro-poor development strategies. Subsequently, budget support has become the favoured aid modality of many donors with DFID notably committing as much as 75% of bilateral aid to budget support in some countries (DFID, 2010; Menocal, 2004). An omniscient government is crucial to the implementation of coordinated, cooperative and holistic development strategies which engage contextually with unique country specific institutional systems. Furthermore, economic reforms must be implemented in accordance with national interests, priorities and strengths. For example, in Botswana, the main source of income is balanced between
industry and services (World Bank, 2009a), in South Africa it is predominantly services (World Bank, 2009b) and in Uganda income is derived from a combination of agriculture, services and industry (World Bank, 2009c), illustrating the need for independent governments as facilitators of country specific, cross sector market coordinators.

Asian tiger developmental states provide valuable examples of how direct government market intervention can achieve economic development. The governments of Hong Kong, Singapore, South Korea and Taiwan constructed specialist economies through integrated national development strategies which simultaneously manipulated institutions within the economy to complement national strategies, leading to rapid industrialisation and economic growth. Country specific policy reforms were also implemented parallel to institutional reforms ensuring wealth distribution also became more equitable. While we must remain conscious that the Asian tiger models will not translate to unique African situations, as western models do not, African states can use successful elements of both in devising new models based upon African contexts (Brohman, 1995; Paldam, 2003; Radice, 2008).

Critique of state led economic development in Africa justifiably highlights the overemphasis on economic growth and subsequent neglect of those in poverty (Vandemoortele, 2009). Insufficient capacity and resources to implement reforms throughout all levels of the economy legitimises NGOs as facilitators of bottom-up development. They have both the means and flexibility to reach remote communities to address specific issues which the government lack the capacity to cover (Yannis, 2001). Consequently, NGOs are widely championed for being facilitators of bottom-up, participatory economic development through their ability to concentrate efforts on small-scale programmes which ensure the needs of the poor are addressed.
In an analysis of Southern NGOs in the 1990s, Fowler and James (1994) argue that privatisation of social/public services through NGOs can contribute to economic growth if the NGOs are rooted economically and socially in their own societies. However, northern funded NGOs saturate grassroots development, providing services such as health which could otherwise become domestic commercial enterprises. In this regard, while being a part of the neo-liberal agenda NGOs also hindered development by intervening in systems which structural adjustment lending conditions had coerced the state to withdraw from. Current poverty reduction paradigms have however redefined the role of NGOs in economic development as they contribute to poverty alleviation through micro programmes and projects (Kimani, 2010). Expanding NGO micro-credit programmes supply otherwise unobtainable capital to small-scale entrepreneurs, providing the means necessary for many to escape extreme poverty. Buckley (1997) argues that NGO microfinance programmes mostly target informal sector enterprises and seldom expand beyond microenterprise, meaning positive effects are isolated to the entrepreneur and relatively insignificant. However, chief executive officer of Kenya’s Equity Bank, James Mwangi, argues that some micro-enterprises graduate into semi-medium enterprises, increasing the income of the entrepreneur, creating jobs in the community and increasing government revenues through increased taxable earnings (Kimani, 2010). In accord, Rogerson (2001) advocates NGOs as fundamental providers of capital to micro-entrepreneurs, but further argues that sustainability can only come from a combination of access to markets, capital, skills and technical knowledge which can only be achieved through multidimensional approaches which require government and NGO cooperation.
Streeten (1997) argues that NGOs in fact fail to reach the very poorest but does consider them to be in a very strong position to provide relevant technical support to already established enterprises. Through participatory methods, NGOs are able to technically assist enterprises based on specific needs. Technical assistance and training can lead to increased efficiency and productivity creating greater output at lower operation costs, therefore increasing the possibility of expansion and job creation which benefits the broader community. However, economic development must be paralleled by institutional and judicial reform as countervailing forces to opportunism, exploitation and monopolisation of wealth. Little (2003) illuminates these issues using the case of Somalia where, in the absence of state regulation, thriving informal markets mean that economic elites become perpetually wealthier but fail to channel the benefits down to those working under them.

In spite of their New Policy Agenda roots, under pro-poor paradigms NGOs can no longer be considered residual of market versus state debates. They continue to be effective facilitators of bottom-up, self-help economic development parallel to international development advocacy of the state as fundamental facilitators. They contribute to increasing incomes, empowering many poor or remote communities and giving them increased control over their lives. However, NGO funding is results based and donor dependent creating volatility and insecurity, reinforcing the state as the only legitimate means of achieving sustainable economic development. Therefore, this analysis proposes that coordination between NGOs and the state will be essential to implementing holistic economic development strategies where bottom-up and top-down approaches complement each other in mutual pursuit of poverty reduction and economic growth.
A recurring theme in African economic development literature is the need for order as a platform for economic growth (Leys, 1996; Menocal, 2004; Polanyi, 2001). The state is the only body with the capacity and means to maintain order which history has proven to be critical to economic development regarding both growth and equity and social development (Leys, 1996; Fritz and Menocal, 2007). Disorder suggests an illegitimate state in the eyes of the international community which in turn discourages both official aid and foreign direct investment (Collier, 2008). The Museveni regime in Uganda serves as a strong example of how order can bring economic development through monitoring, diversifying and uniting the national economy under a single government directive (Collier and Reinikka 2001). The tyrannous regimes of Obote and Amin left Uganda in a state of fundamental economic disequilibrium with the economy suffering a 14% decline in real GDP between 1970 and 1986. A stable single party government has brought order to Uganda and inspired economic recovery through consistent growth of nearly 7% over the following decade (Foster and Mijumbi, 2002; Tumusiime-Mutebile, 1995).

Additionally, the Democratic Republic of the Congo (DRC) has very low GDP compared to that of Botswana despite both being having huge natural resource wealth. Order in Botswana has allowed the government to legitimise and control the diamond industry facilitating consistent economic growth, while disorder in the DRC has led to the creation of informal, fragmented, conflict perpetuating natural resource markets (Sen, 1999; Nugent, 2004). Order has facilitated economic development in both Botswana and Uganda, and through monopolisation of power, a single party democracy has maintained that order. These leads us to analysis of how NGOs and governments contribute to and facilitate
political development and what political development should really mean in the SSA context.

**Political development**

Democratic and participatory governance have become the preeminent models of political organisation in international development (Sen, 1999). Multi-party democracy is a construct of the US and European experience and is not relevant in the African context (Edwards and Hulme 1996; Winter, 2001). However, western hegemony of international development has naturalised multi-partyism and democracy as the teleological terminus for African political development. Despite over 50 years of development failure, political development policy still subscribes to modernist orthodoxies that developing countries will follow the western route to modernity if schematic western political models are adopted (Kothari and Minogue, 2002). Sustainable changes to society are seen as critical means of building democracy as a foundation for economic and human development. Subsequently, civil society has become a primary focus of much international development under the assumption that an active civil society increases state accountability, compelling the government to act in the interests of the broader community (Asante, 1991; Marcussen, 1996). Both multilateral and bilateral donors pressure African governments to decentralise through aid conditionality while NGOs are used as vehicles for mobilising civil society at the grass roots level. In light of this, what if political development, in the form of democracy, is not the answer to African development?
Analysis of African political structures in relation to other areas of development suggests that blueprinting political development is very problematic and alternative African models of democracy must be explored. Economic development in countries such as Botswana, South Africa and Uganda has been achieved by single-party or single-party dominated democracies (Collier and Reinikka, 2001; Sisk, 1995). The rise of the Asian Tiger economies, under strict control of somewhat autocratic development states, has also challenged normative western political ideologies and legitimised the need to explore alternative political structures in underdeveloped countries (Paldam, 2003; Radice, 2008). The rise of the tigers suggests that universalising political development as the transformation to western models of democracy is problematic, as it neglects the unique social, economic and political diversity of African countries. However, current international development does not accommodate new and innovative political structures. This was demonstrated in 2005 as the Government of Uganda (GoU) suffered aid suspensions as a result of UK claims that the government had not democratised sufficiently, despite achieving consistent economic growth and human development since 1986, (DFID, 2005). All Ugandan development policies are however currently based on the Ugandan Participatory Poverty Assessment Projects, highlighting that aid conditions in fact mean multi-partyism and not just the inclusion of civil society (Brock, 2002; MFPED, 2005; GoU, 2007). Backed by international development institutions, budget support constitutes 50% of UK aid to Uganda. Budget support targets capacity building and advocates country-driven development strategies, equal partnerships and African alternatives; however, aid suspensions present clear evidence that democratic, multi-party western political ideologies remain a primary focus of the international development agenda, despite there being no conclusive evidence that
democratic governance is essential to a well-functioning economy (Edwards and Hulme 1999; Leftwich, 1993).

Western homogeneity of international development facilitates the imposition of democratic ideology at bilateral, multilateral and grassroots levels through NGOs. NGOs are ultimately accountable to their donors resulting in conformity to western ideologies (Marcussen, 1996). In this respect, African governments are critical to ensuring political sovereignty is maintained and alternatives are explored to suit Africa’s unique social and economic structures. International development institutions such as the United Nations (UN) and The New Partnership for Africa’s Development (NEPAD) will be critical to ensuring international development pledges to mutual accountability and equal partnership are upheld, allowing organic African political models to develop (Zaidi, 1999). Independent African governments are still young and while the experience and knowledge of the international community will provide useful assistance, they must also be endowed the freedom to explore effective African political alternatives.

Marcussen (1996) and van de Walle (2001) estimate that NGO funding accounted for anything between 13% and 33% of official development assistance in the 1990s, giving them significant influence in international development. The New Policy Agenda intended NGOs in Africa to become penetrative tools for imposing democracy at grass roots level. Despite wavering support for the neo-liberal element of the New Policy Agenda, democratisation endured and remains a fundamental objective of NGOs in development today. Donor conditionality placed on the majority holding northern funded NGOs in Africa coerces the subscription to western political ideologies of democracy, which is then disseminated into
the society in which they operate (Bebbington and Riddell, 1995). Ugandan politician James Buturo (1994) states that NGOs seek to empower civil society as a countervailing force to the power of the African state. However, civil society participation does make the government more accountable for its actions, leading it to become more representative of society and its needs.

NGOs widely operate at community and grass roots levels, enabling them to mobilise poor and remote communities that are often neglected by the state (Fowler, 1991; Streeten, 1997). This facilitates immediate and direct interaction with communities enabling information to be relayed to and from civil society rapidly. NGOs are effective mediators between governments and minority groups, increasing interaction between civil society and the state, subsequently making the government more accountable for their actions. This mediation role has become typical in many African countries and is also evident in some European countries, such as Ireland (Winter, 2001). This approach is widely recognised as bottom-up development and while it is widely hailed for increasing civil society participation, it is also recognised to undermine state sovereignty and in some cases contrast national priorities and directives. In delicate states, NGOs mobilising civil society can further weaken national solidarity and perpetuate political insecurity and instability leading to unrest. In this regard, NGOs strengths can also be their weakness as their flexible and experimental nature could be potentially damaging to overall development if exercised inappropriately. Accordingly, results based accountability is also problematic as damage can be inflicted on society before realisation transpires. As a solution, the Moi regime in Kenya proposed that NGOs register with the government and operate in accordance with a code of
conduct (Osabu-Kle, 2000). This is just as problematic as NGOs being solely accountable to their western donors as it incorporates them into domestic state politics, contradicting the non-political principles on which NGOs claim to operate. Irrespective of their intentions, it becomes increasingly evident that NGOs are caught in the middle of a political struggle.

Literature in support of NGOs in the democratisation process submits to the premise that the state subverts civil society in facilitating political development. Mobilising civil society is targeted as a means of influencing the government, but ultimately the government must be receptive to their views. By Sen’s definition NGOs are effectively facilitating political development by informing civil society of their political rights and giving them the freedom of choosing whether to be politically active or not (Sen, 1999).

Ultimately, NGOs are effective civil society mobilisers, mediators and informers in Africa, creating more accountability and encouraging increasingly representative governments. However they must exercise responsible practice according to the political climate of each individual country. African governments are critical to ensuring that new and innovative African alternative are explored and western ideologies are challenged which highlights that both NGOs and the state are crucial to political development in Africa.

**Human development.**

Structural adjustment programme (SAP) borrowing and plummeting government revenues, due to submission of market control, had devastating effects on public service spending in Africa in the 1990s (Hearn, 1998). It was during this period that NGOs became a critical provider of health and education provision.
In the 1990s paradigms shifted towards human development which incited the creation of the Human Development Index, on which Africa features as the lowest global region (UNDP, 2010). Sen (1999) defines human development as the substantive freedoms a person has to live a life they have reason to value. Based upon the work of Sen, the UNDP state that human development is about rights, freedoms and capabilities to lead a healthy and long life, have access to knowledge, enjoy a decent standard of living, and participate in the decisions affecting their lives. Human development is widely considered to be the panacea for both economic and political development through nurturing a healthy and educated population (UNDP, 2010; World Bank, 2010). Human development incorporates income as purchasing freedom and democracy as political freedom, but as these have been addressed above the focus of this chapter is the facilitation of health and access to knowledge.

Past failures of both the state and neo-liberal market to provide adequate social services in Africa have left a huge deficit of both health and education provisions leaving those in poverty caught in limbo between lack of public services and inability to pay for private services (Edwards and Hulme, 1996; Hearn, 1998; Zaidi, 1999). NGOs have also been highly effective at reaching marginalised groups, such as women, enabling the realisation of their importance in the family unit and also in terms of future development as workers and previously oppressed entrepreneurs (Osirim, 2001). NGOs have attempted to mitigate the negative effects on society by creating programmes which target those most in need and incapable of paying. Zaidi (1999) highlights this as being problematic as it discourages state reform of the public sector by redirecting public service responsibilities and coaxing civil servants away from the public sector as they can offer higher wages. However, the alternative of waiting for state reform to provide these services would devastate poor
communities and undoubtedly perpetuate poverty. In addition to insufficient capacity and resources, health and education provision is also plagued by corruption across Africa (Easterly, 2006). Many African states lack the funds, capacity and/or legitimacy to implement effective social service systems reforms leaving no alternative to NGOs as essential public service contractors (Bebbington, Hickey and Mitlin, 2007). Economic-essentialist trickle down assumptions become obsolete in respect of cases such as Uganda where consistent economic growth has not had the effects on human development which positivist theory proposes. It is estimated that anywhere between 30% and 70% of aid funded drugs go missing in Uganda as corrupt officials sell them on black markets (Easterly, 2006: 320). While this is certainly an issue that needs to be addressed at government level, NGOs act as effective and legitimate alternatives for health service funding while corruption is investigated and dealt with. In the case of Uganda this has been an on-going issue, with international donors currently applying a lot of pressure on anti-corruption system implementation, during which NGOs provide the relief assistance needed in many communities.

In spite of both government and NGO efforts to encourage human development, social services provisions are failing to meet the expectations of the MDG goals of achieving universal primary education, reducing child mortality rates, improving maternal health and combating HIV/AIDS and other diseases (DFID, 2008; Vandemoortele, 2009). Building state capacity is increasingly being targeted by many donor countries, including the UK, as the long term solution to these issues. This is based on the philosophy that it will create legitimate and efficient governance, subsequently optimising the effectiveness of public spending and improving all areas of development (DFID, 2004). However, capacity building
targets long term structural reform and a time lag exists between implementation and results. During this intermittent period, NGOs are particularly efficient in providing health and education services. This argument is particularly pertinent in cases such as Somalia where in the complete absence of state social services, NGOs provided 80% of relief assistance between 1984 and 1991. NGOs directly provide health and education services in Somalia as well as supporting community based projects, facilitating human development that might otherwise be impossible (Yannis, 2001). This will be fundamental to long term development in Somalia as a future stable government will require a healthy and educated population to begin rebuilding state capacity.

Under the human development paradigm it is difficult to imagine development without NGOs. However, sustainable solutions can only come from the government, as coordinated systems with effective monitoring is crucial to minimising corruption and programme duplication and maximising the impact and coverage of social services. The grassroots positioning of NGOs and flexibility to innovate and improvise according to the specific needs of communities, combined with the government’s centralised and omniscient positioning and control, present possibilities for the formation of effective alliances which seek to tackle poverty at all levels and across all sectors, an alliance which Leonard (2002) calls organisational provision.

Conclusion

While this paper has presented three areas of development individually, the boundaries of economic, political and human development became increasingly intertwined and
dependent on one another. For example, sustainable growth relies on political stability and a healthy and educated population; while health and education provision requires economic development and a legitimate government; additionally, political development relies on an educated population and economic development to fund capacity building. These paradoxes highlight the complexity of balancing development priorities and emphasise little alternative to experimental development, in which both NGOs and the state must play a part. Appleton, Hoddinott and Mackinnon (1996) suggest that NGOs have become so embedded in development that they should not be considered as peripheral or temporary, but should be incorporated into national structures and monitored and coordinated by a functioning development state. Different aspects of development are so intimately connected that effective strategies require holistic and multi-dimensional approaches which coordinate and engage with institutions across all contributory sectors; a task which only governments have the potential capacity to fulfil. Emphasis must be placed on devising strategies in accordance with unique African social, political and economic structures. Schematic approaches to development have historically failed and it is the responsibility of both donors and African governments to explore new and unique solutions to unique and complex problems. Dialog, mutual accountability and equal partnerships will be crucial in developing structured and coordinated efforts towards poverty reduction. The Paris Declaration and Accra Agenda for Action are progress towards this as they outline a code of conduct by which both donors and recipients should abide (OECD, 2010). However, these declarations must be met by genuine commitment to severing ties with modernist approaches facilitating the adoption of the country-driven strategies currently being rhetorically advocated by the international community (DFID, 2004; UN, 2010).
Three areas of significance which were not in the scope of this analysis but profoundly affect the role of NGOs and the state are HIV/AIDS, security discourses and the global war on terror\(^1\), environmental development\(^2\) and the long term effects of capacity building strategies which are yet to be seen\(^3\).

\(^1\) See Beall, Goodfellow and Putzel, 2006 and Howell, 2006.


\(^3\) See Cordella and Dell’Ariccia, 2003 and Koeberle, Stavreski, and Walliser, 2006.
References.


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