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## NGOs in Latin America

Past strategies, current dilemmas, future challenges

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## **INTRODUCTION**

In this paper I will attempt to trace the trajectory of NGOs in Latin America with an emphasis on the southern cone of this sub-continent. The region has undergone so many notable changes during the last ten to fifteen years that even a preliminary analysis as intended here is of great use. I will sketch a picture of their origins, of the challenges they face and the dilemmas they are grappling with today.

For the purpose of this discussion, NGOs can be defined as non-profit organisations staffed by (semi)professionals who are engaged in the design and implementation of development policies, programmes and projects for, and with, poor sectors of the population. This definition hopefully identifies a kind of organisation which unlike traditional charities attempts to mobilise the potential of the poor themselves, and which in contrast to relief and emergency agencies focuses on the promotion of long-term sustainable development.

## **ANTECEDENTS and ORIGINS**

### **1.1 NGOs, Jesuits and Social Action**

Together with the NGOs from India born out of a mixture of Buddhist and Ghandian motives, the NGOs from South America are probably the oldest in the South. During the 1960s the Jesuits in particular played a strategic role. They attempted to prevent a repetition and export of the Cuban socialist revolution in a region which they, like President Kennedy's Alliance for Progress, considered to be quite vulnerable. The great wealth inequalities, exploitative relations particularly the latifundio system, the growing poverty in cities and the emergence of radical movements all pointed towards a vulnerability to some form of revolution.

Through social action focused on the most vulnerable groups, especially in the countryside, the Jesuits and their NGOs sought to pre-empt the radical wave which they foresaw in countries like Chile, Peru, Colombia and Ecuador. Their posture was not a defensive one. On the contrary, the first NGOs of the Jesuits fought for progressive reforms: they were in favour of autonomous peasant organisations and of land reform, and they promoted co-operatives of small farmers and workers alongside literacy campaigns. In fact there were many similarities between their work for progressive reforms and the contemporaneous movement in Brazil that was interested in promoting literacy and conscientisation (based on the methodology of Paulo Freire) and which had links with the Church. There were also parallels with the movement born in Louvain propagating a humanist economy (inspired by the Dominican father Lebret) which succeeded in developing roots in countries like Brazil and Uruguay thanks to returning graduates.

### **1.2 Evolving NGO Roles and Relationships under Military Dictatorships**

This first stage in the growth of NGOs (directly and indirectly linked to the church and later furbished by liberation theology), supported in various countries important and mass popular movements (including peasant organisations) engaged in struggle for structural reforms.

It is of interest to note, on the other hand, that a new and different branch of NGOs grew up during and immediately after the wave of military dictatorships which tried, exactly to stop these popular massive movements; this happened in Brazil, and slightly later in Chile and Peru. While in Chile and Brazil the military attempted to neutralise the processes of mobilisation and reform, in Peru the radical Junta deepened the reforms, from the top down. In the former cases, some NGOs began to specialise in the defence of human rights, others in supporting marginalised sectors and victims of authoritarian dictatorships. For these NGOs the protection of the Church was indispensable, particularly for those trying to defend the rights of, and offering help to, people like leaders of trade unions and peasant organisations, unemployed leftist intellectuals, poor families forced to leave the neighbourhood of the rich, rural migrants arriving in the city, etc. Another role of the NGOs began to project itself at that time: they began to act as centres of research and publications which presented alternative views of society and politics. In Chile, under Pinochet, even more so than in Brazil under the military dictatorship (1964 - 1984), the community of NGOs expanded, with the support of foreign, not just private but also bilateral donors who were opposed to the Chilean dictatorship.

### **1.3 NGO sector: Growth and Transformation**

After the military regimes, the aforementioned branches of NGOs began to intertwine: it was within this period of the 1980s that the NGO community started to grow, numerically, in countries like Brazil, Argentina and Uruguay. They benefited from re-democratisation and a wider political space. They were now secular and able to do without the protecting cover of the church. In Peru also there was a flourishing of NGOs after the eclipse of the Military Junta, but in this case the rise of NGOs was due to a different motive: here, many new NGOs were established by (semi)professional and intellectuals who had previously committed themselves to the process of reform from within the apparatus of the radical Junta, but who later (once the Junta was removed) found themselves dismissed. Many of them, however, sought to continue with that process through the work of NGOs. These examples stand in contrast to Chile where the NGO community after the restoration of democracy did not expand further. On the contrary, many leaders and outstanding professionals left the NGO community in order to enter into the service of the new regime of social and Christian democrats.

Thus it can be seen that the change of regime has had a great influence on the evolution of NGOs in the region. This represents a dialectical process in which the NGOs' search for change forms a persistent theme. The process could be interpreted as follows:

In the years from 1950 to 1970 which saw much movement, various progressive regimes of the middle classes (whether or not in uniform) began to work for the transformation of the old structures of society (still moulded by the latifundo system) in order to create a national market and accelerate the industrialisation of the country through import-substitution strategies. The emergence and role of many NGOs could be seen as an element in this process of reforms - a process which, however, failed due to the fear of the self-same 'middle class', their upper class protagonists and the military of the growing mobilisation and radicalisation of broad popular sectors. During all of this economic and socio-political change, the NGOs remained the carriers of what was essentially a 'basist' scenario: therein,

genuine reforms were only considered viable provided they were carried forward by poor, organised and 'conscientised' sectors, and supported by other progressive forces including NGOs. This position of the NGOs implied, among other things: a considerable suspicion of the state and high bourgeoisie; often (in)direct links with leftist parties and; frequently the claim and the pretension of not only supporting the poor at the micro-level (of projects and programme) but also at the macro level - the latter by formulating 'alternative policies' offering better development opportunities to the great mass of workers, landless, small peasants and to informal producers and women.

This history of the formation of NGOs in the southern cone of the region - followed slightly later by the NGOs in Central America whose evolution shows clear parallels - left its clear marks on the subsequent trajectory of many NGOs. In contrast to Africa and Asia (with the exception of countries like the Philippines and India), most Latin American NGOs are very interested in the political dimension, and they perceive the power and empowerment of the poor as a condition *sine qua non*, both for development activities in the area of basic needs and economic situation, and for a far-reaching social transformation. It is hardly surprising that many conservative governments and groups considered NGOs as leftists and 'subversives'. North American communities from the extreme right, including those from a religious background, began to support and finance 'alternative NGOs' particularly in Central America. On the other hand, private donors and solidarity committees from northern and western Europe especially, adopted the role of 'partners' in the 'mission' of NGOs to bring about structural reform in the Latin American countries.

A few additional points deserve attention as they help complete the profile of NGOs during this first stage. The NGOs often developed strong ties with popular organisations, both with older ones like trade unions and peasant organisations as well as with new organisations which (in part) grew up as a result of the activities of the NGOs themselves (for example, associations of slum-dwellers, women, the young and informal producers). In most cases NGOs carried out development projects with and for the poor on a small scale. Inside the NGOs one found predominantly (semi)professionals with a training in social rather than in technical or economic fields, something which given the strong focus on empowerment and basic needs satisfaction (education, housing, food, health etc), did not at that time cause big problems. Frequently, they set up projects and programmes 'parallel' to those of the government, and designed and managed by themselves, alone or together with their target groups. Financing came rarely from local sources. It was practically always external and, insofar as I know, to a large extent from the German and Dutch co-financing, notably more so than from Spain, Italy the US or the UK.

## CHALLENGES OF TODAY

### 2.1 Economic changes

From the mid-1970s and throughout the 1980s a great number of changes began to take place in the region. It became a period of changes with a social and economic, rather than a socio-political focus as had predominated during the 20 to 25 previous years. Structural Adjustment Policies (SAP) were introduced to modify the course of economic development. SAP typically entailed: reorienting the industrial compass away from import substitution towards a process guided by exports; public enterprises (which are always of strategic importance) being privatised; subsidies eliminated; workers' rights weakened through the flexibilisation of the labour market and; many jobs in the formal sector disappearing due to subcontracting and mechanisation. Protectionism is drastically reduced sometimes - as in the cases of Chile and Argentina - inducing a considerable degree of de-industrialisation. But it is a slow transition, often delayed by governments seeking to fulfil commitments made to the bourgeoisie and trade unions, and by their lack of autonomy and power. This stands in contrast to what happened in the case of the new industrialised countries (NICs) in Asia where governments forced the bourgeoisie through a 'stick and carrot' policy and the assistance of the public sector to conquer a place for themselves in the global economy. As a matter of fact, in Latin America only Chile succeeded in following the East Asia scenario. Hence, most Latin American countries remain in a marginal position, particularly in relation to the trading blocs being formed everywhere in the world economy. Only Mexico has found an entry through NAFTA and Mercosur remains a purely intra-regional market which does not offer much perspective for earning hard currencies through non-traditional exports.

It is not certain whether the recession affecting many countries has definitely come to an end. There is much highly profitable speculation in local exchanges - partially financed with returning flight capital which is directed *inter alia* to purchasing stock of privatised public companies. A good proportion of investments is for replacing equipment rather than increasing productive capacity and employment. There are persistent high levels of poverty through the region. These circumstances make one doubt the validity of what one sometimes hears about 'the crisis in Latin America is over'. The SAPs and the shift from 'import substitution' towards 'export-promotion plus import-substitution' is probably so slow because the former was sustained in this region for such a long time - much longer than in East and Southeast Asia. The problems continue to be big, both in larger countries like Brazil and Argentina, and in medium-sized countries like Bolivia and Peru. Due to lack of productive employment in the corporate sector, the informal sector in the cities expands enormously due to, among other things, an unprecedented exodus from the countryside. There, millions of people are forced to generate their own basis of survival. The so-called 'Compensation Funds' financed by multi- and bi-lateral agencies have not managed to alleviate the massive poverty and structural lack of employment on a sustainable basis.

### 2.2 Political Changes

Politically, there have been many changes, the most significant being the re-democratisation of the 1980s. Sometimes this re-democratisation has been associated with new 'mass politics' cross-cutting old parties as happened in Brazil and later in Peru. At other times it is

associated with a revitalisation of old party structures, as in Chile and Uruguay, causing a return to partisan politics in many aspects of life. Another central feature has been the reduction of the state under the influence of the still dominant Washington Consensus. In the long run this could have a deep impact in a region which since the middle of the last century has been marked by a bonapartist centralism. It is not surprising that the process of decentralisation is being executed so slowly; it proceeds a bit more rapidly only in Chile and Colombia where the local government provides a new platform for effective popular participation in decision-making and in the allocation of funds and programmes. In many countries the responses of organised groups from civil society to the withdrawal of the state is also lagging. They take little initiative and hesitate in assuming greater responsibilities. This is, in part, the result of the impoverishment and the lack of organisation among wide sectors of the population, including the middle class and traditional popular organisation. To put it cryptically, the implementation of the political neo-liberal scenario of structural adjustment is faced with obstacles created by the socio-economic consequences of the economic scenario of SAP.

## **2.3 Challenge for the NGOs**

### *2.3.1 NGOs: the newly-discovered and much-vaunted development entities*

The NGO community, however, continues to move forward. NGOs are 'discovered' by multi- and bi-lateral agencies and legitimatised as efficient and effective agents in the struggle against poverty; put on a throne as an important if not principal agent compensating the shadow-side of SAP. Increasingly, they are envisaged as playing a key-role in the socio-political scenario that implies a reduction of the tasks of the state and a stronger participation of the population in the making and execution of policies. These types of factors entail the deep and rapid changes in the place and role of NGOs. But, if I am not mistaken, the principal push comes from outside, even though in countries like Chile and to a certain degree, in Colombia, the central government, too, assigns a strategic role to NGOs. Elsewhere, locally elected and progressive governments invite NGOs (often) alone or (sometimes) together with popular organisations to participate actively in a process of local development, with the support of grassroots and often focused on meeting basic needs.

### *2.3.2 Accepting new roles from protagonists and critics*

The challenge of NGOs is to accept existing responsibilities and sometimes implementation of tasks on a more official level and on a much larger scale. Such responsibilities include: poverty alleviation through the basic needs provision and income and employment generating activities (IEGA), especially in the informal sector of the economy; capitalising their comparative advantages in the identification, organisation and training of poor sectors, and helping to execute complementary programmes jointly with other agencies and the organised poor themselves; and assisting in the definition of 'alternative policies' improving the prospect of the poor for a sustained development, in an efficient and effective manner.

This latter challenge is taken up by multi-lateral agencies like the World Bank and UNDP. They, more than the NGOs themselves, are trying to codify, systematise and disseminate alternative models of NGOs in the region in areas such as agricultural extension, primary

health care, credit and self house-building. Together with bilateral agencies, these international institutions - external to the countries but still quite powerful - form the most outspoken protagonists of southern NGOs and are certainly more enthusiastic than most central governments. The latter resent having to give up traditional power and means, and they despise the fact that their normative and controlling functions are being questioned with reference to their degree of corruption and incompetence. Above all, they think (not without good reason) that NGOs indirectly linked to opposition parties utilise their credit among the population during election time, and so strengthen the opposition to the extent of helping them to get into power.

### *2.3.3 The Complexity of NGO financing*

The financing of NGOs, too, is becoming more complex: increasing external funds of multi- and bi-lateral agencies are set aside for the so-called direct financing' of NGO programmes; national public funding is becoming available, coming from central and local government institutions; and, finally, the NGOs are attempting to develop their own independent sources of income. On the other hand, the NGO community is faced with a decreasing flow of external funding from private sources in Spain, Italy, Finland and (in part) Germany; maybe Dutch co-financing, too, will diminish. Hence, it is public funding (both from in-country and external sources) for NGOs which is increasing. As a result, the accountability of the NGOs is shifting. More than in the past, Latin American NGOs will no longer be accountable primarily if not exclusively to foreign private donors but also to local and international public agencies. One consequence of this will be higher requirements for NGOs in terms of proven professionalism and tangible results.

## **RESPONSES OF NGOs**

How do the NGOs respond to these changes and challenges? It is difficult to answer this. Certainly simple formulas of analysis will be inadequate. There is no uniformity, as the response varies from country to country, from one group of NGOs to another. Nevertheless, at the risk of simplification I will try to generalise somewhat, distinguishing between responses at the socio-economic and socio-political levels.

### **3.1 Responses at the socio-economic level**

In the socio-economic field, most NGOs are willing to continue to act in basic needs provision, where possible, jointly with specialised committees and organisations of the poor themselves, and with sectoral government agencies. The NGOs seem disposed to work with the government - once democratically constituted - more than could be foreseen in the 1960s and 1970s. This applies particularly to co-operation with regional and local government. Problems emerge, however, with regard to the nature and scale of programmes. Most NGOs are hardly in a condition to assume the tasks of a dismantled state. Additionally, other NGOs often refuse to take substitutional roles for the state, primarily on the basis of the principle that a government cannot avoid its own responsibilities (for example in the areas of health and education) and that NGOs can only play a complementary role. There are also operational problems: in contrast to Asian NGOs, the Latin American NGOs are less accustomed and willing to participate in large scale programmes.

Multi- and bi-lateral donors and national authorities are arriving at the conclusion that they may have expected too much of the NGOs as service delivery systems for basic needs. Simplistic notions for privatisation in the provision of social welfare appear as unviable and possibly erroneous. It should be added that in the case of the Compensation Funds designed to protect the most vulnerable groups from the consequences of SAP, the already established NGOs did not want to fully play their assigned role: instead, frequently new NGOs were founded, ad hoc, which together with municipalities and grassroots organisations, submit project proposals and participate in (the supervision of) their execution. Established NGOs tended to prioritise their own programmes, especially as it became clear that in many cases the additional overhead costs they had to make as a result of their participation in the Fund, were not financed, or to a limited extent only.

In the area of income and employment generating activities (IEGA) the situation is slightly different. It is, on the one hand, more controversial because a number of traditional NGOs, especially in Brazil, do not want to enter into this area. In their view, such an involvement would imply a choice for capitalist activity, risk the 'embourgeoisement' of the poor and consequently risk losing their willingness to fight for a more radical transformation of the 'system' - a position which if I see it correctly nowadays is being modified. On the other hand, at an operational level IEGA is more demanding than basic needs satisfaction and demands more of staff in terms of their technical-economic preparation. Recycling staff and specialisation ( in credit, technical assistance, marketing etc.) are needed, where possible, in complementary networks of old and new NGOs. But it is also possible, for example, to combine real empowerment with IEGA, by organising producer groups and strengthening their bargaining capacity in relational to suppliers, buyers, banks, municipalities etc. A

growing number of NGOs are now involved in a process of reorientation for IEGA. Additionally, new types of NGOs are already taking initiatives, and in contrast to the traditional NGOs they are set immediately in a technical-professional manner and undertake large-scale programmes for the informal sector. Within this sector, smaller NGOs and the private foundations with much capital, as in Colombia and the Dominican Republic, work side by side with nation-wide credit agencies supported by ILO/PreALC targeted especially at the informal sector (*inter alia* in Peru, Guatemala, Bolivia and Honduras).

### **3.2 Responses in the socio-political area**

The NGOs formed a community if not a world of their own which could be easily identified by its origins and orientation. Nowadays, the situation is much more complex and insecure. Under democratically elected regimes it is more difficult to identify 'enemies', especially at local and regional levels. It becomes even more complicated as NGOs are invited to the table, to sit down as people with recognised experience and expertise, and with a voice of their own. Ideological frames of reference get confused due to the appreciation of democracy, the eclipse of the cold war, and the doubt - also among many NGOs - concerning the well-known formulas of socialism. A further bout of confusion results from facing the concrete challenge to help poor sectors in the countryside and city to improve their entrepreneurial activity in the context of a capitalist market economy, and to render it productive.

All of this takes place in a widened political space, with NGOs as legitimate if not celebrated actors, honoured by the tasks and means offered to them, and acting in the daylight of open social and political platforms. The previous attitude of the NGOs is being shaken; it was possible to call it a 'catacomb' mentality. It entailed a rejection of links with the government and sectors of the middle class and bourgeoisie. It also included a vague preference for some kind of 'socialist' (but democratic) order or another. In many Latin American countries nowadays, the NGOs come forward and manifest themselves publicly, diversify their relationships with actors and social institutions, and demand more public interest in the problems of the great mass of the poor, who as a result of SAP and recession continue to live in precarious conditions.

Moreover, the NGOs are increasingly professionalising themselves. They project themselves not only as institutions countering poverty but as being 'specialised' in their own area - a claim which is endorsed by the international and national acclaim which reaches them from all sides. The proliferation of organisations and networks of NGOs reinforces this process: here, their own formation, discourse and reference-community continue to develop further, experiences are interchanged and systematised, and their 'own voice' and interests (especially in relation to governments and donors) get better articulated.

The widening of the vision of NGOs: more 'outwards' to broader society and 'upwards' to government agencies, often goes together with a loss of 'organic' linkages with grassroots organisations. This happens, in part, as a result of processes affecting the base level itself, for example, the considerable weakening of organisations like trade unions and peasant organisations as a (in)direct result of SAP, while at the same time new organisations are emerging like those of women, ethnic minorities and informal producers. Also, popular organisations in many countries have been divided as a result of politicisation and/or because

they got co-opted by new local administrations and local platforms - something which often happens, for example, in the case of slum-dwellers. All of this implies that working with grassroots organisations is more difficult and confused today than it was during the previous period. These three tendencies namely: (1) the invitation from above which NGOs accept, (2) NGO professionalisation, and (3) the problems at grassroots level, help to create a space in which the NGOs tend to act as 'spokepersons ' of the poor, that is, to speak out less jointly with them, but more 'in their name'.

## **DILEMMAS CURRENTLY FACING NGOs**

### **4.1 Defining the New Mission and Mandates of NGOs in Democratic Contexts**

We began by touching upon one of the dilemmas with which NGOs are grappling currently, but there are more. I will round off this discussion by briefly examining some of those dilemmas implicit in the previous analysis. A first dilemma refers to NGOs and their identity in a democratic context: who are they? What mandate, if any, do they have? Are they a substitute for the popular movement or an integral part of it? To whom are they accountable, and how is this accountability expressed? Who should judge NGOs and orient their work - obviously apart from their own staff and (normally external) donors? A concrete application of this general problem has to do with the question: can and should NGOs freely talk on social and international platforms 'about' the problems of the poor and in a sense 'in their name', as they are doing increasingly, without an explicit mandate from below, or should they more systematically promote the empowerment and access of the poor and their organisations themselves, something which insofar as I know only few NGOs are doing?

Up to now, the process of 'becoming respectable in wider society' has been limited to NGOs. Multi- and bi-lateral institutions, like central governments and bureaucracies also, rarely invite representatives of grassroots organisations for purposes of consultations about policies and programmes. They prefer inviting NGOs as a sort of proxy, probably not just because they consider them 'expert' but also because they share social origins, discourse and normative and professional frames of reference. One need not be a 'basist' to regret this tendency: the emancipation of sectors like informal producers, women, indigenous people and peasants and the broader processes of democratisation would receive more support and be better promoted by a recognition of popular organisations and the capacity and opportunity of the latter to articulate their own problems and proposals. Moreover, research on African NGOs suggests that when NGOs act together with grassroots organisations, the political weight of their voice increases. If this applies to Africa where the margins for the NGOs are often quite narrow, in principle a connection with the base would be even more important in Latin America. Hence, from my perspective there is a question how NGOs could and should move forward, in a contemporary manner, jointly with grassroots organisations?

### **4.2 Working with Public and Private Actors for Development**

A second dilemma relates to the political scenario and the social classes in relation to which the NGOs operate. As I indicated when discussing the previous stage, the NGOs assumed a very critical position in relationship to the state and bourgeoisie, with slightly more appreciation for professional associations, churches and progressive parties. This was an implication of their premise 'transformation only from the bottom up'. In the present circumstances one can raise a number of questions concerning this view and see whether it is correct. The 'vaticanisation' of the church turns what was often a powerful and reliable ally for the poor and NGOs, to the Right. Professional associations seem often notably preoccupied with their own condition in a neo-liberal context. The bourgeoisie behaves itself in a differentiated manner and even makes some efforts (inevitably with some self-interest) in the field of poverty alleviation, using at times the semantics of NGOs (and articulating

concepts like 'participation', 'autonomy' and 'organisation'). When considering the state we also need to differentiate, especially in relation to poverty, between levels, regimes and sectors. The simplistic position of yesterday is no longer adequate in the conditions of today; now the question is how and to what extent NGOs work together with other public and private actors, rather than wonder whether they should say 'yes' or 'no'.

### **4.3 Political location in democratising contexts**

A third dilemma concerns what NGOs should recommend to popular organisations in relation to parties and elections. Should they recommend popular organisations to link up, as in the past with a (normally left-wing) party, and despite the risk of politicisation and lack of capacity to control politicians effectively, hope for the best? Should they advise keeping a distance and guarding one's autonomy? And in the case that NGOs recommends 'non-partisan' participation (but still participation in politics) should the grassroots field their own and independent candidates or negotiate with existing parties about candidates and interests? In a democratic system, it is important that the mass of voters are able to distinguish between these positions. NGOs may have to face the scenario of left-wing parties in crisis, popular sectors voting for rightist populist parties, and realistic alternatives hardly existing? Take the famous experiment of Fals Borda in Colombia: he tried to promote the breakdown of traditional party structures with the help of independent candidates closely linked to (sectoral) popular organisations. It failed, amongst other things, because it was not clear how sectoral interests should be ordered and prioritised without an inclusive party ideology. Also, the traditional parties rapidly co-opted sectoral themes and representatives.

Nevertheless, many NGOs recommend popular organisations to put up their own candidates in cases of local elections and where traditional parties leave enough room to do so. Where they manage to maintain sufficient unity (something which is difficult due to the penetration of, and competition of parties), this option has produced reasonable results at local levels. Other NGOs attempt to capitalise their social credit in favour of certain parties, both in local and national elections. There are also NGOs which prefer negotiations with progressive parties at national level but without losing autonomy - something which in practice appears to be difficult as well. Overall, the NGOs and the grassroots organisations they work with still have little experience and often get entangled in the complex and often frustrating dynamics of parliamentary party democracy. Quite a few NGOs have burned their fingers, and still do not know whether and how to practice party or non-party politics.

### **4.4 Facing the reality of the Market Economy**

A fourth dilemma relates to whether NGOs should work effectively in the market economy. Of course, NGOs have worked for years in this economy, particularly in the primary sector but mostly without problematising or justifying it. On the contrary, many NGOs, ideologically, seem to prefer a type of enclave, a 'popular economy' based on solidarity and preferably associative types of enterprises (like co-ops, group and communal enterprises) rather than base themselves on the principles of a capitalist market economy often considered undesirable.

The prolonged tension between theory and praxis became more pronounced when NGOs began to work in the urban sector: most micro and small enterprises are based on individual forms of ownership and they must try to survive if not grow in highly competitive markets. Many NGOs have difficulties in acknowledging the necessity of productivity, profitability and efficiency as preconditions for survival and growth, and they still do not feel at ease with such terms and objectives. While one group of NGOs keeps its distance and only wants to be concerned with poverty alleviation, there is another and growing group of NGOs which opts for a business-like approach and is increasingly interested in processes of expansion of micro and small enterprises.

#### **4.5 Operational Dilemmas**

Finally, the NGOs face a set of operational dilemmas: if they want to become autonomous in their financing (and hence in other aspects) in relation to external (including multi- and bi-lateral) donors, to what extent can they accept dependency on local authorities? A unilateral dependency on government funds is widely perceived as the worst thing that can happen. On the other hand, they foresee - not without reason - a decline in foreign private financing. Now, how can or should NGOs combine and manage these different sources and flows of money? The possibilities of self-financing are limited. Diversification of funding remains the best probable way to widen the margins of freedom and autonomy. Moreover, such diversification is indispensable, especially for those NGOs which want to upscale their programmes. But then other problems arise: can up-scaling and professionalisation be combined with a really participatory methodology, from the bottom-up and seeking the empowerment of the poor?

The big NGOs of Asia have demonstrated that it is possible to work on a large scale without losing flexibility and participation. In Latin America, too, NGOs increasingly apply a large-scale approach. It offers important advantages in various areas, especially economically, but also with regard to emancipation through empowerment. In this latter instance, power is (also) a function of mass, of the number of poor who are mobilised and organised, at least provided the base continues to control the leadership, even in third-level organisations; this latter situation appears to be variable but also viable. It is, incidentally, of interest to add, that working on a large scale is done differently in Latin American than in Asia. In the former, NGOs working on a large scale are not that big: on average, they employ only some 120 staff, while the big Asian NGOs have hundreds if not sometimes thousands of employees, in countries like India, Sri Lanka and Bangladesh. Nevertheless, the Latin American NGOs also have a large outreach reaching great numbers of beneficiaries. They manage to do so not via big organisations of their own, but by working with and through existing popular organisations which are used as 'channels of multiplication'. Examples of these channels include chains of committees around communal kitchens, federations of informal producers, unions of workers and farmers. The political space for this type of popular organisation is often greater in Latin America than in Asia and offers more possibilities.

## **WHERE NOW DO NGOs GO FROM HERE?**

Due to the processes of change analysed earlier, Latin American NGOs find themselves in a situation calling for rapid adjustment: they have to amend their strong sense of mission, the tendency to monopolise the moral high-ground and their basically simplistic diagnoses of, and answers to, the problems of poverty, inequality and repression. The world in which they live, think and work, has become more complex and requires a new and constructive approach, though not one without critique. Responding to the challenges facing them is not easy, as hopefully became clear during the previous discussion of the dilemmas they face. Each time I visit, I am impressed by the heterogeneity but also, often, the still existing uncertainty of the NGOs in this region.

The differentiation between the NGOs is increasing rapidly in the context of: the great and persistent poverty in most countries of Latin America; of the growing demand for professionalisation and a performance that is both efficient and focused on concrete results, preferably with upscaling and a greater absorptive capacity and ; of the need for working in another complementary manner which does not substitute other actors. The old heroism (if not mystique of NGOs) will never completely disappear. The poverty and violation of human rights at all levels, continue to be too massive and systematic for that, and the repressive forces in many countries remain too tangible and identifiable. Yet there is also more common sense and rationality, particularly visible in the case of those NGOs which are in the vanguard and which will probably be better able to adjust and survive.

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