Non-Government Organizations and Commercialization in a Post-Apartheid South Africa: A Comparative Case Study of the African Centre for the Constructive Resolution of Disputes (ACCORD) and the Institute for Black Research (IBR)

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ABSTRACT
This study explores and describes the nature and form of the commercialization of South African NGOs post-Apartheid using the comparative case study method. The intention of the study in using this method was to ultimately compare the efficiency of commercialized NGOs to their non-commercialized counterparts. The various literatures uncover that commercialization arose out of a need for NGOs to remain relevant and survive financially in the dynamic post-Apartheid set-up. By commercializing, NGOs including ACCORD claim that they are able to sustain themselves by engaging in income-generating activities. They also argue that they are more productive than non-commercialized NGOs because they utilize business practices in their operation. However, the findings indicate that commercialization has changed the mindset of the NGOs from being guided by a social mission and set of values to becoming a for-profit entity. As such, they have become contractors to the international system and agenda and consultants by another name. Therefore their status as an NGO is severely compromised. The findings also found that non-commercialized NGOs such as IBR forged on bravely into the post-Apartheid era contributing positively to development and challenging the status quo. However much they suffer from a lack of management skills or resources, their commitment and passion to their cause makes them far more efficient/effective than commercialized NGOs.

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Supervised by Mariam Seedat

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DECLARATION

I declare that the opinions expressed in this study are entirely my own and do not represent those of the University of Durban-Westville or the Political Science Department at the University of Durban-Westville.

____________________  5/09/2003

Trusha Reddy
<table>
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<tr>
<th>Abbreviation</th>
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<tr>
<td>ACCORD</td>
<td>African Centre for the Constructive Resolution of Disputes</td>
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<td>AMA</td>
<td>American Medical Association</td>
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<td>ANC</td>
<td>African National Congress</td>
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<td>CASE</td>
<td>Community Agency for Social Enquiry</td>
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<td>CCG</td>
<td>Concerned Citizens Group</td>
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<td>CORD</td>
<td>Centre for Organizational Research and Development</td>
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<td>CSPI</td>
<td>Center for Science in the Public Interest</td>
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<td>ED</td>
<td>Executive Director</td>
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<td>GEAR</td>
<td>Growth, Employment and Redistribution Strategy</td>
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<td>IDASA</td>
<td>Institute for Democracy in South Africa</td>
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<td>IBR</td>
<td>Institute for Black Research</td>
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<td>ISS</td>
<td>Institute for Security Studies</td>
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<td>NDA</td>
<td>National Development Agency</td>
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<td>NGO</td>
<td>Non-Government Organization</td>
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<td>NICRO</td>
<td>National Institute for Crime Prevention and Reintegration of Offenders</td>
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<td>NPO</td>
<td>Non-Profit Organization</td>
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<tr>
<td>NEPAD</td>
<td>New Partnership for African Development</td>
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<td>PSC</td>
<td>Public Service Contractor</td>
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<td>RDP</td>
<td>Reconstruction and Development Programme</td>
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<td>SA</td>
<td>South Africa</td>
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<td>SANGOCO</td>
<td>South African National Non-Government Organization Coalition</td>
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<td>SAP</td>
<td>Structural Adjustment Programme</td>
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<td>SRC</td>
<td>Student Representative Council</td>
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<td>TNDA</td>
<td>Transitional National Development Trust</td>
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<td>UDW</td>
<td>University of Durban-Westville</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
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<td>UND</td>
<td>University of Natal-Durban</td>
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<td>US</td>
<td>United States</td>
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<td>USAID</td>
<td>United States Aid in Development</td>
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<td>UWC</td>
<td>University of Western Cape</td>
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“We made a conscious decision from the beginning to run ACCORD with the passion of an NGO but with the professionalism of a business. This approach drew much criticism from our colleagues in the field. However, our approach has been vindicated since many of our colleagues have since migrated in this direction. We must concede though that sustaining this ethos is not easy since many staff who join ACCORD come in with visions of an NGO and once confronted with the systems that seem so out of character with an NGO, they tend to either get disappointed or rebel against the system.”

Vasu Gounden, Executive Director (ED), African Centre for the Constructive Resolution of Disputes (ACCORD)

“Commercialization attracts a shit load of funding. (If we) run like corporates (we) can be listed on the Stock Exchange. (But we/NGOs are) meant to be grassroots. Since 1994 (the) focus has shifted. Historically NGOs were anti-government. However, since 1994 they have become commercialized and charge huge fees to government. (The) focus on development (is) lost. No one does that sincerely. (It's about) staff, funding, cars and very little is done.”

Ramesh Harcharan, Managing Director, Institute for Black Research (IBR)

1.1 Outline of the study
Amidst the fluid, tentative post-Apartheid South African environment a new phenomenon is spawned in the non-government organization (NGO) sector. This is the commercialization phenomenon. Its leading proponents such as Vasu Gounden of the African Centre for the Constructive Resolution of Disputes (ACCORD) opt for commercializing or professionalizing as the only way to survive, and to remain relevant and retain core values through the turmoil. On the other hand there are those such as Ramesh Harcharan and his Institute for Black Research (IBR) that continues to struggle against the turning tide. Commercializing for them means the complete opposite. It
means betraying the struggle heritage that NGOs assumed in the Apartheid past. More importantly, it means betraying NGO mission and values in order to become powerful, gain status and most of all to profit financially. In essence, commercialization signifies for them the sacrifice of the NGO soul and the resulting consumption by the corporate one.

This study is an exploratory and descriptive one delving into the two opposing positions in the commercialization of NGOs debate. In discussing the phenomenon the study has adopted a working definition for both the concept, “NGO” and the concept, “commercialization of NGOs”. An NGO is regarded as an organ of civil society that is a facilitator of delivery/development and democracy in a country and is guided by a vision/mission and a set of values. The values it embodies include being independent, not-for-profit/non-self-seeking and flexible. It also means being able to reach the poor and marginalized in society. Lastly, NGOs rely quite heavily on volunteers. Commercialization is understood as the tendency of NGOs to become more business-like in their operation and ethos. It includes most significantly the trend towards self-sufficiency – most notably profit-generating activities - and professionalization of the NGOs amongst others.

It was decided that the method that would provide the most enlightening and indeed absorbing information on the commercialization phenomenon would be the case study method. In-depth interviews amongst primarily the leading figures within each of the two organizations used as case studies, namely ACCORD and IBR, were conducted to understand the working and nature of commercialized NGOs like ACCORD and their non-commercialized counterparts like IBR. The resultant effect of the discussion of the findings using multiple indicators is not just a test of which type of NGO is more effective but a real sense of the experiences and views within these organizations. The various literatures also explore the existence, nature and form of the commercialization phenomenon within the context of a changing global and national landscape.
1.2 Research objectives
The area of investigation is narrowed down or summarized into two main objectives. These are as follows:

1. To describe the workings and nature of commercialized NGOs in contrast to their non-commercialized counterparts in a post-Apartheid South Africa.

2. To compare the efficiency/effectiveness between commercialized and non-commercialized NGOs.

In general, an NGO’s impact on target groups can be assessed and measured by using a variety of techniques. This study has opted to use various efficiency/effectiveness indicators, which embrace the conventional traits of NGOs, to do this. By doing so, it is also possible to compare the overall impact of different NGOs to each other. For the purpose of this research the comparison is being made between a commercialized and non-commercialized NGO.

1.3 Relevance of topic and reason for its selection
At the heart of the changing world order is civil society and in particular NGOs, that are tasked to fill in the developmental gaps left by a state in retreat. As significant players in the development arena it is vital to assess the effectiveness of these NGOs operating in this environment and to determine their viability and impact on target groups including the poor and marginalized. The dynamic South African context provides further impetus and indeed fertile ground for examining the role and nature of the NGO sector.

Furthermore, whilst authors including Habib (2000), Habib and Owusu-Ampomah (1997), Smith (2001), Edwards and Hulme (1992), Merchet (2003), Landes (2002), Streek (2000) discuss the commercialization phenomenon, thus far comprehensive research on it, as it occurs in the South African context, is absent. It is thus highly relevant to conduct research into this fairly new and highly under-researched area.
1.4 Structure of the study

Chapter two discusses the methodology used in the study including the design, data collection, sources of data and data analysis.

Chapter three contains the theoretical and conceptual framework which is broken up into two components. In the first the theoretical framework outlines the impact of neo-liberalism on civil society and in particular the NGO sector. The second part discusses the concepts NGO and the commercialization of NGOs fully.

Chapter four is the review of previous literature on the topic. This section explores the changes and challenges faced by NGOs during the transition period and post-Apartheid and the subsequent rise of commercialization.

Chapter five presents the findings and discussion. Both ACCORD and IBR are examined, discussed and compared with reference to six different indicators relating to NGO characteristics.

The final chapter, chapter six contains a summary of the study and more importantly specific and general conclusions to the study. It also includes recommendations, the significance and limitations of the study.
CHAPTER 2: METHODOLOGY __________________________

This section deals very comprehensively with the methodology used in the study. It details the design of the study, data collection, sources of data and the data analysis.

2.1. Design
This study is exploratory and descriptive and thus employs many aspects of qualitative type of social science research. Long, in-depth interviews and discussions based on various themes were desirable in exploring the various aspects of the commercialization debate and in understanding the phenomenon of commercialization. Indeed, the case study method was chosen specifically because it enabled an in-depth perspective of the NGO environment and its workings from an intimate understanding of just two particular NGOs namely, the African Centre for the Constructive Resolution of Disputes (ACCORD) and the Institute for Black Research (IBR).

The sampling was purposive and took into account methodological and practical considerations. ACCORD and IBR are both registered as non-profit organizations, and were both affiliated to SANGOCO. They were also deemed important in this study because of the ostensibly huge disparity between the two. ACCORD is a growing organization with, for example a sizable budget, staff complement and office space. It is also a representation of a commercialized NGO as the working definition suggests. IBR is non-commercialized with, for example, a diminishing budget, small staff complement and small office space. The researcher also chose these two organizations because they are both located in Durban thus making access, time and cost burdens considerably lessened.

Aspects of the quantitative method were also used but to a lesser degree. A survey type of questionnaire devised by Smith (2001) in his study of the NGO sector was used to provide detailed information on primarily the financial aspects of each organization. There is thus a degree of triangulation whereby quantitative and qualitative aspects of research blend together to form a holistic picture of workings and nature of
commercialized and non-commercialized NGOs. Furthermore, the various literatures used in the Theoretical and Conceptual Framework and the Literature Review assist in contextualizing the debates around commercialization of NGOs.

2.2. Data Collection

Data collection on ACCORD was undertaken over a period of approximately three years as the first set of results were used to produce a research report at Honors level. It was extremely beneficial to be able to monitor the changes at ACCORD over such an extended period of time. Collection of material on IBR was done over a period of approximately a year and a half. IBR is a considerably smaller organization with a permanent paid staff complement of just nine as compared with ACCORD’s staff of 30 and thus a longer period of data collection was not essential to credibility and reliability of findings.

At the outset, the researcher undertook a one-month internship at ACCORD in July 2000, which allowed for participant observation and informal interviews with staff members. Formal interviews with selected members of ACCORD were conducted after the period of the internship\(^1\). Staff chosen for the interviews was based on the detailed, deep, vivid and nuanced answers that they were able to contribute. Amongst those interviewed was the ED of ACCORD. He was interviewed formally on two separate occasions during the three year period and was chosen to provide the researcher with an understanding of the direction in which ACCORD was heading, the strategy for the future, and to help relate the general and specific goals of the organization. Jerome Sachane, Deputy Director of ACCORD was also chosen to add to the information provided by the ED and to find out the possible differences in conception of the vision and goals of ACCORD.

Sunita Dukhi Finance Director was interviewed to provide some information on the financial aspects of ACCORD, especially with regard to the organization’s drive to self-sufficiency and its move to independence from financial control by the University of

\(^1\) Refer to Appendix 1 for interview questions with various staff members at ACCORD. Also refer to Appendix 1 and 2 for interview questions with ACCORD and IBR. Appendix 3 relates to interview questionnaire.
Durban-Westville. This interview proved difficult because of the instructions by the ED to the Finance Director not to divulge much information. Thus the questionnaire tackling the more sensitive financial aspects of the running of the organization was drafted and handed to the ED early November 2002. The ED’s assistant Hayden Allen answered and submitted this back to the researcher after much prompting in December 2002. Various programme officers were also questioned and chosen indiscriminately and based solely on availability. They shared their ideas about the vision of ACCORD and how their programmes fitted into that vision. They were also meant to provide more depth and nuance to the information provided thus far. Two confidential, anonymous interviews with an ACCORD employee were conducted in the latter part of the interview series which was to provide a more balanced, more in-depth report on ACCORD’s success vis à vis its choice to commercialize.

With a permanent paid staff of just nine, including the Managing director Ramesh Harcharan, the secretary and cleaner, the task of data collection with IBR was considerably easier. The Managing Director was formally interviewed on two separate occasions to elicit information on the vision, goals and choice not to commercialize. The questionnaire used at ACCORD was also used at IBR to get a more detailed account of donors IBR uses and as regards sustainability issues. The ED Fatima Meer was not interested in participating in the study and I was directed back to Mr. Harcharan. Material on the organizations’ was gathered including trustee reports, annual reports and promotional material. In this regard, IBR’s very poor documentation of its long history and happenings was starkly contrasted with ACCORD’s very detailed, glossy records of its short past.

2.3. Sources of Data
During the one-month internship at ACCORD the researcher obtained a number of primary sources of information. The first hand experience was invaluable in familiarizing the researcher with the staff and the organizational structure and general attitudes prevailing in the organization. A few informal conversations with staff members and the ED were also recorded for analysis. Working as part of the ACCORD team in the
research division also allowed the researcher an opportunity to gain awareness of the work ACCORD does and broadly in their role as NGO. The researcher compiled a situation report on Zimbabwe for ACCORD’s internal purposes requested by the ED, who was involved at the time in high level intervention in the country at the height of the election period. Material on the history of the organization was collected through the various promotional pamphlets and other yearly publications published by the organization for public consumption. Additional information on the history, structure, and profiles of staff, programmes, publications and news events was obtained at the organization’s website, http://www.accord.org.za. The Deputy Director at the time Karthi Govender made trustee’s programme reports for 1995, 1999 and 2000 available for the researcher on request. There was much hesitation and indeed trepidation by the ED in making the 2001-2003 reports available to the researcher. The researcher was thus unable to secure those reports. The ED did not allow the viewing of full version of trustee reports in which financial information was located as he felt that the reporting of that information would open the ACCORD up to its competition.

The organization produces obligatory reports for one of its biggest funders, United States Aid in Development (USAID). Mr. Govender allowed the use of the comprehensive semi-annual and final reports for 1997-1998 which included human resource processes, management structures, financial rules and procedures as well as programme reports. The researcher was given permission to retrieve minutes of staff meetings from ACCORD’s computer system but much detail is excluded from these documents. In this vein one of the secretaries admitted to her lack of recording full and detailed notes. One of the most important primary sources of information was the formal interviews with key staff members mentioned above.

The sources of information from IBR included a trustee report from November 1992 detailing the twenty year history of the organization. Promotional material on two of their projects was also made available to the researcher. A copy of a report to the Metro Council on one of the organization’s projects was also used as well as Ashwin Desai’s two books, “The Poors of Chatsworth” (2000) and “We are the Poors” (2002) which deal
with, to some extent, the organization’s involvement in the community of Chatsworth. IBR suffers from an incredibly poor storage, filing and systematic documentation of historical material, owing to the lack of capacity and funds which made the researcher’s task very difficult. The promotional trustee’s report of 1992 was the first and last one in existence. Furthermore, Mr. Harcharan refused the researcher access to the confidential annual trustee’s reports that they submitted annually to the board. The two interviews with Mr. Harcharan, the questionnaire and one informal telephonic interview with a committed volunteer to the organization was used to fill in the gaps of the otherwise seemingly sketchy information gleaned from their permanent records. A former IBR volunteer also submitted some information via an informal interview.

2.4. Data Analysis

Motala and Husy’s (2001:83) multiple indicators of analysis - used in their own study on the efficiency of development NGOs in SA - were adopted for the analyzing of data in this study. The six indicators were used because they tied in with the conventional ideas about NGOs as being flexible, having a vision and mission, being located close to the grassroots and being accountable to the poor and marginalized. The reasons Motala and Husy (2001:83) offered for using these indicators are also valid in this study. They were, simplicity of application requiring no fancy computer programmes and the fact that they make possible the generation of fair comparisons between the organizations. Also, the use of multiple indicators adds to the veracity and detailed nature of the accounts. Finally, the indicators made for quick analysis without sacrificing credibility.

There was a slight variation on the central idea embodied in Motala’s and Husy’s indicators. Whereas these authors coined the indicators “efficiency” indicators this study used the term “efficiency/effectiveness” indicators. This study needs to be super vigilant about the use of terms that connote business as opposed to NGO meanings. In other words, efficiency is more a business-related concept whilst effectiveness is more an NGO-related concept. The use of semantics is meant to add value to the discussion and not elude from it.
CHAPTER 3: THEORETICAL AND CONCEPTUAL FRAMEWORK

3.1 Theoretical Framework: Neo-liberalism’s impact on the NGO sector

This sub-section is an attempt to understand the nature of and changes in the NGO sector viewed against the backdrop of a changing world order that is increasingly global, neo-liberal and macro-economic.

3.1.1 A Burgeoning Civil Society

Over the last two decades there has been a phenomenal expansion of civil society organization’s - including NGOs - number, reach, role and scope of operations (Habib 2000:1, Habib and Taylor 1999:2, Hailey 2000:403, Hudock 2000:15, Grzybowski 2000:319 Choudry 2002). This has largely been prompted by “western governments, international financial organizations, and donor agencies ideological predispositions to cutting back the state and withdrawing it from the social arena” (Habib 2000:1). This new neo-liberal orthodoxy was espoused and led by Thatcher in Britain and the Reagan administration in the US and infected the thinking of international financial institutions like the World Bank and International Monetary Fund, other Western governments and donors the world over (Habib 2000:1, Hudock 2000:15).

Indeed, it can be argued that the collapse of the Soviet Union and the so-called triumph of capitalism had a key role to play in the widespread acceptance - especially including developing countries – of the tenets of neo-liberalism. It is important to note that the dismantling of the Soviet Union also had important ramifications for developing countries with authoritarian regimes causing them to unravel and change to more democratic regimes. Habib (2000:1) informs that this unraveling process was partly responsible for the “spontaneous emergence of associational life” that sought to overthrow and delegitimise their oppressive governments. Habib (2000:1,2) also informs

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2 Adam Habib gave me a copy of this paper therefore the page numbering does not correlate with the page numbering of it as it appears in Voluntas.
3 Choudry, and others without page numbering, were obtained from Internet sites as the References section indicates.
that the emergence of associational life in the developing world was followed by the installation of democratic regimes with conservative governments who adopted neo-liberal, macro-economic policies in the 1970’s and 1980’s, which also stressed the retreat of the state from social responsibilities.

Since the inception of democracy in 1994, South Africa swiftly attempted to assimilate itself within the global context and thus adopted the macro-economic policy of Growth, Employment and Redistribution Strategy (GEAR) in 1996. GEAR, which embraces the three tenets of neo-liberalism namely, deregulation, rationalization and privatization and which attempts to turn the state into a “lean, mean, (business-like) machine” (Anon\textsuperscript{a} 1997:34)\textsuperscript{4} has significant and far-reaching ramifications for local NGOs.

### 3.1.2 NGOs are recognized as significant players in development

The shift from social democracy to neo-liberalism – and in particular the retreat of the state’s role in development - meant that donors now recognized the vital role to be played by civil society in development (Hailey 2000:403). As van Rooy in Sabatini (2002:8) states, “donors have come increasingly to rely on civil society as a means to promote a variety of ends: economic development, socio-economic and political equity, human rights and democratization.”

Hailey (2000:403,404) states that NGOs were also seen as a “distinctive force in the development field” in part because they are viewed as being “flexible, responsive organizations with strong contacts in the local communities, and partly because of working in difficult conditions, their network of local contacts, and the commitment of their staff and volunteers. But, more importantly, they were distinctive because they had a unique identity based on a clearly articulated set of values and ideological purpose.”

In response to the realizations of the need for civil society donor funding for NGO activity, in particular, increased dramatically. Bilateral assistance was channeled to

\textsuperscript{4} Anon\textsuperscript{a} refers to an article published in Development Update in 1997 whilst Anon\textsuperscript{b} refers to another article published in the same year. Author’s names were not available in either article.
NGOs, especially those in developing countries and there was a hiking of direct assistance from official development sources (Hudock 2000:15). However, Hailey (2000: 404) and authors in Sabatini (2002:8) point out that international donors supported NGOs which were “elite-dominated” (Sabatini 2002:8) and which violated the unique and distinctive identity of NGOs mentioned above.

3.1.3 Elite-dominated/ “Mercenary” NGOs

Violating this identity meant that elite-dominated groups possessed “limited support in society and weak or non-existent internal democratic mechanisms for making decisions” (Sabatini 2002:8). Hailey (2000:404) contends that, “There is considerable debate as to the adverse impact of donor-imposed conditions on the independence and legitimacy of NGOs and their relations with partners and communities” which promoted and legitimizied the elite-dominated NGOs.

In one respect, the neo-liberal mindset impacted on NGO’s modus operandi forcing them to adopt a more business-like approach if they intended to retain international donor confidence and thus funding. In fact, Malena (2000:27) uses the classification of “mercenaries” for NGOs whose primary purpose is to sell their services to donors or governments. They are what one may call non-profit consulting firms and what Brown and Korten in Malena (2000:26) refer to as “market-driven public service contractors (PSCs)”. Their use by World Bank financed projects Malena (2000:26) informs, is “frequent” and these NGOs are regarded as “co-opted/conformist” NGOs, who set their agenda based on and in support of the international neo-liberal agenda. They also don’t have a popular support base. It is possible to assume that within the African context NGOs who are mercenary in nature are most likely to support an initiative like the New Economic Partnership in African Development (NEPAD), which looks to foreign aid and support in developing the continent.

Choudry (2002) from his reading of “Globalization Unmasked” by James Petras and Henry Veltmeyer reveals that in a time when neo-liberal policies are “inflicting misery and poverty in our communities across the planet” “‘NGOers obscure profound class
division, class exploitation and class struggle that polarize contemporary “civil society”’. He adds with more than a hint of cynicism, that this is happening even though so much time, effort and money has been invested into studying, strengthening and building civil society.

“There is no shortage of exhortations to “civil society” to form “partnerships” with business, government, and international institutions in order to supposedly eradicate poverty, save the environment or work towards some other noble-sounding goal. And plenty of takers - presumably Choudry means elite-dominated NGOs - in the NGO world where the term civil society seems well and truly entrenched and “many seem willing to walk through fire to earn the right to mingle and meet with those in power” (Choudry 2002). Roy (2003) concurred at a talk in Durban recently when she said that NGOs seem to be like pressure cookers letting off the steam - easing the tension and solving problems - at the wrong time. This is helped in part, Choudry will surely agree, by elite-dominated NGOs in a time of rampant neo-liberalism.

3.1.4. Welfare-oriented NGOs

In another respect, the rolling back of the state has encouraged NGOs to become more welfarist in orientation, providing services which governments no longer provide (Anon b 1997: 97). The shift to market-driven Structural Adjustment Programmes (SAPs) – which state conditions that underlie loans – sets up a notable contradiction within democratic regimes because SAPs also admit the need for some minimalist, welfare safety net which can no longer be provided by the state.

The “anti-statist logic” (Anon 1992:3) then compels NGOs to take up the role and fill in the gaps left by the state. The influence of GEAR, including SAPs, has been regressive for NGOs whose role is now to simply “harmonize with standard neo-liberal logic – in the sense that their activities become functional to an economic growth path that reinforces the patterns of inequality and deprivation in society” (Anon b 1997:98).
3.1.5. “Struggle” NGOs

For those NGOs who intend not to conform to the prevailing orthodoxy, whether as mercenaries or welfarist organizations, and intend instead to keep their struggle heritage inherited for instance in South Africa from the Apartheid past, the future seems murky. These NGOs will have to choose whether to “struggle issue by issue within and beyond the corridors of power” (Anon a 1997: 34) or to adopt a method of “mass opposition, mobilizing against grand issues” (Anon a 1997: 34). The choices outlined were popularly coined as “war of position” and “war of movement” respectively by Antonio Gramsci (Anon a 1997: 34).

Fabig and Boele (1999:59) also list possible responses to globalization including the forging of new alliances amongst NGOs, the creation of new types of NGOs which take an integrated approach by examining both environmental and social impacts of globalization, and the establishment of constructive business/NGO relationships all of which “mercenary”, “welfarist” and “struggle” NGOs are considering to some extent. Hudock and Edwards in Hudock (2000:15) suggest that the explosion of the third sector marks an exciting time when new relationships are developing between “unlikely bedfellows – NGOs and businesses, municipalities and banks, international organizations and citizens’ groups” (Edwards in Hudock 2000:15). Buttressed by the global revolution in communication and technology this excitement “reached fever pitch” (Hudock 2000:15) when in an act signifying “collective strength” (Hudock 2000:15) diverse coalitions of NGOs banded together in Seattle in 1999 disrupting the World Trade Organization negotiations.
3.2. Conceptual Definitions
This sub-section provides a delineation of the two central concepts used in this study.

3.2.1. Non-Government Organizations
This study adopts a working definition of the concept NGO - outlined in the introduction - derived from a number of readings on the topic that will be discussed below.

It is almost impossible to cover the range of concepts that an understanding of NGOs encompass. In its broadest usage an NGO is seen as being an “independent” (Streek 2000:46), “professional organ of civil society that traditionally provides research/policy, developmental, and/or welfare services to one or other sector of the community at the grassroots or intermediary levels of society” (Abugre nd:121 and Habib and Taylor 2000:2).

Fernando and Heston (1997:9) inform that contemporary NGOs “have arisen as a response to attempts by social groups to secure social, economic, and political equality; a sustainable environment; and peaceful ethnic, religious or national relations and as a resistance against all forms of exploitation and domination.” Similarly, South African anti-Apartheid NGOs were characteristic of the NGOs that sought to promote social transformation and justice in society. But Abugre (nd:121) argues that the South African NGO scene is quite unique ‘today’ because its application goes far beyond traditional usage. He contends that the term applies to a complex web of civil organizations, quasi-government bodies, organizations affiliated to liberation movements and even multilateral agencies. Perhaps the real key to understanding NGOs and the complexity and diversity of usage across the globe is in the general assumptions or characteristics that are attached to them. These include being flexible, having a grassroots orientation, being accountable to the poor and marginalized, and being legitimate actors in civil society. Each characteristic warrants further explanation.
3.2.1.1 Flexibility and Freedom

NGOs are generally considered to be “dynamic, flexible and innovative” (Billis and MacKeith 1996:118) and thus prone to adjust to a particular society’s development. “NGOs are less bound by rules, traditions, interests, and procedures than government officials. Therefore, NGOs can more easily engage in social ventures, untested enterprises, and projects involving considerable risks” (Marschall 2002). They are also considered to be non-bureaucratic in management size, small, more efficient and responsive than government agencies in meeting the needs of the poor, staffed by volunteers who truly care for the poor (Sanyal 1997:29 and Motala and Husy 2000:80)

Marschall (2002) also considers that NGOs mobility and swiftness as being “crucial resources for NGOs in positioning civil society in the global (and local) public policy arena….On the one hand, these features make the day-to-day operations of NGOs easier and more efficient. On the other hand, these features may raise legitimate questions about responsibility, mandate, constituency, accountability and sustainability.”

3.2.1.2. Accountability

Slim (2002) provides a working definition for accountability of NGOs as, “the process by which an NGO holds itself openly responsible for what it believes, what it does and what it does not do in a way which shows it involving all concerned parties and actively responding to what it learns.” He adds that, “The first step in an accountability process is to map and analyze an NGO’s various stakeholders in a given situation” (Slim 2000). He also suggests that, “It is obviously important for NGOs and human rights groups to be clear about where their voice comes from in a given situation and to be transparent about it” (Slim 2002). These ideas are also supported by Grzybowski (2000:442).

3.2.1.3. Legitimacy and Trust

Marschall (2002) states that, “In their monitoring and watchdog role, NGOs have a comparative advantage because of their professional and moral authority. It is what it does, and not representation, that makes an NGO legitimate.” Slim (2002) contends that the sources of this legitimacy are “both derived and generated”. “It is derived from
morality and law. It is generated by veracity, tangible support and more intangible goodwill” (Slim 2002).

In a review of Michael Edwards “Global Citizen Action” by Bond (2003) it is suggested that legitimacy is the mix of four different qualities—“representation (if they have a formal membership that can hold leaders accountable for the positions they take), through competence and expertise (if NGOs are recognized as bringing valuable knowledge and skills to the table by their legitimate bodies), through the law (if NGOs comply with non-profit legislation, regulation and effective oversight by their trustees), and through the moral claims of NGOs to promote the public interest, or at least be in sympathy with large segments of public opinion” (Bond 2003).

3.2.1.4. Grassroots
NGOs are thought to possess more grassroots experience because they are considered to be located closer to grassroots (Motala and Husy 2000:80, Craig and Porter 1997:2, and Sanyal 1997:28). In addition, “NGOs can mobilize indigenous resources otherwise unavailable for development projects” (Marschall 2002).

3.2.1.5. Vision and mission
NGOs are recognized as being guided by a vision and mission that make it distinct from other actors in society (Motala and Husy 2000:80). This vision is usually derived from a moral and social responsibility to society which is seen as a humanitarian mission.

The contention about NGOs arises from its substantive definition, in being generically defined in opposition to the state and for-profit organizations (Fernando and Heston 1997:11). They limit state power in relation to the lives of the citizens, and mediate between individuals and the state. In so doing NGOs encourage democratizing trends (Lee 1996:35). Grzybowski (2000:437) argues that, “Challenging the philosophical and theoretical order is at the heart of what NGOs do.” Fernando and Heston (1997:11) claim that, “The legitimacy of the claims made about NGOs is derived from the criticisms of
the state and the private sector; the mission and practices of NGOs are considered to be radically different to the other two sectors.”

### 3.2.2. Commercialization of NGOs

Billis and MacKeith (1996:122-123) explain that NGOs belong both to the bureaucratic world – occupied by most public sector and commercial organizations - and the associational world – in which people draw a boundary between themselves and others in other to fulfill an objective or mission. “Their history, voluntary governing body and ethos place them in the associational world, but, having taken on paid professional staff who occupy formal roles within a hierarchy, they also show many features of the bureaucratic organization” (Billis and MacKeith 1996:123).

Fernando and Heston (1997:11) add that even though they are defined in opposition to the state and for-profit sectors they have to operate within the “boundaries set by the state and are subject to various laws and regulations. Moreover, there is more and more evidence of increasing collaboration between governments and NGOs.” This precarious situation that NGOs find themselves in which two different sets of norms apply at the same time within the same organization leads to many problems characteristic of NGOs. In particular, Billis and MacKeith (1996:123) inform that, “As the organization grows, and possibly levels of public funding increase, the organization is pulled increasingly into the bureaucratic world” thus the development of the commercialization phenomenon.

According to the South African Oxford Dictionary (1987:146) commercialism is explained as “commercial practices and attitudes” - concerned chiefly with financial profit. However, with regard to NGOs there is slightly different application of the term.

Commercialization of NGOs in South Africa generally implies the effort to become more business-like in their operations. Specifically it includes professionalizing, rationalizing, streamlining, increasing efficiency and adopting stricter standards of financial
accountability to donors. It also includes an element of bureaucratization as the organization grows in size and income.

Commercialized NGOs also engage in their own income generating activities including selling services to the public and corporate sectors, having the effect of blurring the distinction between for-profit and non-profit sectors⁵. They may also find other ways to generate an income through investments for example, other than relying solely on donor funding.

⁵ Authors including Fernando and Heston 1997; Habib and Taylor 1999; Habib and Owusu-Ampomah 1997; Habib 2000 and Smith 2001 discuss this idea.
CHAPTER 4: LITERATURE REVIEW

This literature review explores the existence, nature and form of the commercialization of NGOs within the context of the transition in South Africa from Apartheid to a consolidated democracy. It reveals the precarious tangle of relationships between primarily the state and NGO sector and secondarily donors, the private sector and the NGO sector. Due to the paucity of information available on the commercialization phenomenon in the South African NGO sector it is almost impossible to conclusively draw a correlation between the precarious relationships between the different actors and the commercialization of NGOs. However, there is almost certainly an argument and a common sense understanding that tie the two together quite intimately which the various literatures explore.

4.1 South Africa in transition

The transition from Apartheid to democracy played itself out in the midst of the global upheaval and paradigm shift in ideology discussed in the theoretical framework. The South African state started to roll back its state functions during the 1980’s and “transferred them to the private sector and communities in many areas in keeping with the neo-liberal agenda” (Anon nd). This move was also motivated by the presumption that reducing state capacity would be a “preventative measure to ensure that the new state would not be able to disrupt the prevailing socio-economic relations” (Anon nd). In other words, neo-liberalism made it possible to “secure white privilege without the need for extra-economic coercion” (Anon nd) which was the tactic of old.

The study conducted and published by the South African National NGO Coalition (SANGOCO) & Community Agency for Social Enquiry (CASE) (Anon nd) state that it is also useful to consider that because South Africa’s transition unfolded in a time of a changing global order it was very different to that of regime changes that engulfed much of the third world in the 1960’s and 1970’s. The liberation movements which assumed

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6 This was a study published by SANGOCO and CASE and had neither author’s names nor date published. Furthermore, it was located on the Internet thus excluded page numbers.
power in parts of Asia, Africa and Latin America were “deeply influenced by Soviet development paradigms (and) they focused on the role of strong centralized institutions in directing socio-economic and political development, and on large-scale nationalization of enterprises, frequently overseen by a ruling party in a one-party state” (Anon nd).

In this instance, markets and more importantly civil society institutions were marginalized (Anon nd). However, the opposite occurred during South Africa’s transition period. The 1980’s saw a proliferation of NGOs and a frenzied civil society activity due in part to the newly liberalized political environment which allowed for NGOs to service the disenfranchised black population. “Prior to the 1980’s, the political and legal system was only supportive of NGO’s directed to servicing the white community and the racial order. By contrast, NGOs critical of Apartheid, of which there were only a handful, were subjected to continuous harassment and banning” (Habib and Taylor 1999:3). The flourishing NGO sector was also made possible because of the influx of funding from foreign governments and transnational organizations characteristic with the trend in global donor attitudes to civil society (Habib and Taylor 1999:3).

Anti-Apartheid NGOs whose activities were ignited during this period saw themselves in an “antagonistic and adversarial” (Habib and Taylor 1999:4) position in relation to the state. Habib and Taylor (1999:4) inform that this oppositional mode of thinking and being existed at two levels. At one level, the administrative and legal environment was hostile to corporate sponsorship of the NGO sector making it difficult for the development of a vibrant and well-resourced NGO sector. At the second level, “the political and security environment was hostile to the operations of these NGOs” (Habib and Taylor 1999:4). Although facilitating the emergence of NGOs the regime continued to be “repressive and restricted the activities of the anti-Apartheid NGOs” (Habib and Taylor 1999:4). Anti-Apartheid organizations such as the Institute for Black Research (IBR) – used as a case study in this research project – were able to research and publish works on the plight of black people even though sustaining harassment, detentions and arrests during this period (IBR Trustees Report 1992:7).
By 1990 when the Apartheid regime introduced some fundamental reforms to the system including the unbanning of major political organizations and the release of South Africa’s, and arguably the world’s, most famous political prisoner, Nelson Mandela, ironically, tensions gripped the NGO sector. “NGOs were starkly confronted by the unusual nature of their identity and roles; being over-politicized, and concentrating primarily on conscientization mobilization strategies as a function of the anti-Apartheid struggle” (Pieterse 1997:158). NGOs were now faced with calls to alter their mode of thinking from an oppositional to a developmental one (Pieterse 1997:158).

Pieterse (1997:158) contends that NGOs experienced an “‘identity-warp’ of various dimensions” during the critical transition period from 1990-1994. Firstly, an extraordinary volume of funding and knowledge flowed into the country to equip and arm the country’s NGO sector for its “new role as development policy-maker” (Pieterse 1997:158). Pieterse (1997:158) explains, “In a very short space of time, small NGOs, often with a handful of staff, expanded rapidly in terms of staff and resources to fulfill an array of tasks, ranging from policy research to action-research, to training, to networking, and also to development-project design and implementation.” Organizations like the African Centre for the Constructive Resolution of Disputes (ACCORD) – used as a case study in this research project – formed in 1992 at the height of the transition and as a result of calls from the ANC and others, quickly assimilated themselves with the prevailing culture of transition and carved a niche for themselves in conflict resolution matters.

But Pieterse (1997:158) argues that the “intense buzz” amongst NGOs created an “inward preoccupation” within the sector and meant for a greater distancing from its ‘client’ constituency. “This policy activism also contributed to an inflated confidence about the impact which could be made with regard to certain development issues” (Pieterse 1997:158).

Secondly, Pieterse (1997:158) argues that most anti-Apartheid NGOs were drawn into the euphoria of imminent success of the African National Congress’s (ANC) liberation
movement. “By 1992, there were very few progressive NGOs which were not in one way or another participating in networks or processes which were developing ‘policy’ for the ANC, or training its cadres in the intricacies and protocol of formal politics.” Donor priorities further buttressed this need at the time.

The potential problem for the still nascent NGO sector was in losing its autonomy in aligning with the ANC and serving their interests in securing and consolidating their hegemony. Pieterse (1997:159) argues thus that the envisaged foundation to be built of an “inter-dependent and mutually supportive engagement” between the ANC and the NGO sector was “potentially contradictory” and “tension filled”. Some of this tension was mediated by the discourse on civil society at the time which labored the point of an autonomous NGO sector being imperative for a vibrant civil society and democracy. But, by and large the intimate relationship with the ANC and the availability of international funding made serious scrutiny of the changing nature of NGOs too time-consuming and was easily forgotten. NGOs thus started losing their accountability to their clients and once the ANC came into power, an identity-weakened NGO sector was left “vulnerable and exposed” (Pieterse 1997:159).

4.2 Changes and challenges facing NGOs post-Apartheid

The successful transition to democracy in South Africa in 1994 fundamentally altered the nature of the relationship between the state (with ANC government) and the NGO sector (Habib and Taylor 1999:4,5 and Habib and Owusu-Ampomah 1997:3). Firstly, the relationship of antagonism between NGOs and the state changed to one of partnership. Secondly, in general the politics of resistance shifted to one of reconstruction. And lastly, with the democratic government’s broad vision to assert its power in controlling the country’s resources, foreign donor funding diverted to government. (Habib and Owusu-Ampomah 1997:3 and Streek 2000:46).

These changes fuelled the emerging crisis of identity that the NGO sector was experiencing during the transition period. And, it was compounded by a host of stresses including change in funding priorities and relationship to donors, briefly alluded to,
weakened organizational capacity, sustainability issues, archaic political and tax laws and changing relationship to the state and private sector. Each of these challenges warrants further explanation.

4.2.1 Crisis of identity
Since 1994 Smith (2001:27) informs that the NGO sector has faced a “general crisis of identity”. As discussed above many NGOs defined themselves in opposition to the Apartheid state and confined their roles to the liberation struggle and to helping victims of Apartheid (Kotze in Smith 2000:27). However, with the emerging politics during and post transition shifting to reconstruction and engagement with the state many NGOs had to struggle with redefining their identity.

In 1994 when the ANC came into power the Reconstruction and Development Programme (RDP) was the policy of choice because it fell in line with the mood at the time of liberation and equality. According to the RDP, the state would control and manage the redistribution of resources. But, the inability of the state to drive the process capably meant that it experienced great difficulty in understanding the opportunities which the RDP offered for the NGO sector and in deciding where it could fit into the bigger picture (Pieterse 1997:160). Pieterse (1997:160), Lee (1996) and Abugre (nd:127) also state that NGOs were experiencing pressure to adjust to the development needs of the country, “to create and harness opportunities” and to remain relevant in the dynamic society.

4.2.2 Changing archaic laws and tax reform
To address the difficulties and create an enabling political environment, the government called for a single representative structure from the NGO sector. To this end, the national NGO coalition was formed in August 1995 which was Pieterse (1997:160) informs, “an important step towards achieving a significant position within national and local development processes as a recognized actor.” However, Pieterse (1997:160) also issued a caution that these processes compelled NGOs to respond to the state and organize themselves in particular ways and in the short to medium term the result would be that
the “autonomy and space for critical perspectives on government actions will progressively be reduced as NGOs become more and more accomplices to government initiatives, and their financial lifeblood increasingly depends on government department contracts.” It can be argued that with the conversion of the state’s policy from RDP to GEAR - which embraces the neo-liberal orthodoxy - in 1996 this crisis of identity and indeed fight for autonomy persisted albeit for different reasons.

The other attempts by the state to manage and co-ordinate state/NGO relations were by way of new laws via the two Draft Non-Profit Bills. Both these were not received well. In fact, there was a huge outcry from the NGO sector who argued that the powers that it invoked in government smacked of the Apartheid past laws (Habib and Taylor 1999:5).

Habib and Taylor (1999:5) also inform that the bill was then revised in response to these criticisms and was submitted to cabinet in August 1997. The new Not-for-Profit Bill was far more progressive in nature and aimed to in some way create a new legal environment for NGOs in South Africa. It included amongst others, a repealing of the 1978 Fundraising Act which limited NGOs ability to raise funds, created a system of voluntary registration and created benefits and allowances for NGOs and CBOs.

In terms of tax reform, the ninth Katz Commission Report was released in March 1999. And, on the basis of discussions following the report by the Portfolio Committee on Finance, Minister of Finance Trevor Manuel announced the tax reforms in his budget speech in February 2000 which was received as a “breath of fresh air” (Anon 2001:159) by the South African National NGO Coalition (SANGOCO). Amongst the changes were a widening of the spectrum of Non-Profit Organizations (NPOs) qualified for tax exemption to include all public benefit organizations, tax deductibility of donations extended to certain organizations and an increase in tax deductions for individual donors to bring it in line with corporate donor deductions (Anon 2001:159). Manuel, however, did not specify which organizations would qualify as public benefit ones. In this uncertainty it sufficed to say that those that did not qualify before would now be eligible for tax exemption (Anon 2001:160).
4.2.3 Funding crisis

The NGO sector was also gripped with a funding crisis post-1994 resulting directly from the state’s vision to control and manage the redistribution of the country’s resources. Foreign donor funding that was previously injected into the NGO sector during the transition period was now being channeled to the new legitimate ANC government via bilateral aid agreements (Habib and Taylor 1999:6, Smith 2001:21).

Although the South African government remained the main target for funders Smith (2001:20) relates other factors that impacted on donor priorities. “A number of donors have also reduced the amount of aid to South Africa in response to budget cuts and policy changes in their home countries. Some donor countries have shifted funding to countries considered to be poorer or strategically more important than South Africa, such as in Eastern and Central Europe. Another factor is South Africa’s economic dominance of the Southern Africa region, with some donors considering increased support to neighboring states to be necessary for the creation of a stable region” (Cawthra and Kraak in Smith 2001:20).

Donor priorities have changed substantively as well. Authors in Development Update (Anon 2001:173) note that, “Generally, more and more governmental donors chose to support larger, well organized, delivery-oriented NPOs at the expense of smaller NPOs…”. Kraak (2001:173) states thus, “The emphasis (of foreign funding) is now on organizations that can display products…In the long term the less professional, small rural organizations will close down.” In a survey conducted on NGOs in SA Smith (2001:27) recorded that donor requirements changed such that they expected, “more and specific qualitative feedback and planning of projects, new reporting formats, more requirements for managing efficiency…demand tighter control over financial accounts, lengthy tendering processes attached to many internationally funded projects, (and have) requirements to use particular management tools, e.g. LFA, M&E.”

The resultant impact of the shift in donor priorities and requirements has led to a dramatic shrinking of the funding pool for NGOs in SA. However, Smith (2001:27) argues that the
so-called “funding crisis” that has been bandied about is more myth than fact. “According to a recent review of Official Development Assistance (ODA) to South Africa by the National Treasury, the amount of foreign donor funding declined sharply from 1994 to 1995, but subsequently increased to almost the same level in 1999 as in 1994. (although in real terms, the 1999 level of funding is substantially below that of 1994).” Smith’s (2001:21) own study - used above - concluded that a majority 56% of NGOs he surveyed have experienced some kind of decrease in donor funding over the period 1994 to 2000. This study will show that IBR’s donor funding decreased dramatically post-1994 as with other smaller NGOs (Appendix 3). As an NGO keen on fulfilling donor requirements and priorities ACCORD’s foreign donor funding on the other hand, increased to over 90% in the same time period and marks a sharp deviation from the trend witnessed by Smith (Appendix 3).

In an effort to abate the funding problem experienced by the NGO sector the state established the Transitional National Development Trust (TNDA) in 1996 and then the National Development Agency (NDA) in 2000 which would be mandated to disburse funds received by governments from donors to NGOs (Habib and Taylor 1999:6 and Smith 2001:23). However, there have been considerable difficulties in terms of managing these agencies and the result has rather threatened the sustainability of many NGOs instead of aiding them (Cawthra in Smith 2001:23). Administrative bungling in the disbursement of funds through the National Lottery, operational from March 2000, has also been a key feature of the government’s attempts to intervene in the financial quandary of the NGO sector (Smith 2001:23).

Many NGOs post-Apartheid have experienced erratic and varied sources of funding. Most NGOs still rely heavily on foreign donor funding (Smith 2001:22) and some on the NDA and National Lottery. Still some rely on government contracts which have also proved to be burdensome when lack of capacity in government departments amount to very slow process in compensation of funds (Smith 2001:24). NGOs have also opted to

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7 Appendix 3 refers to the questionnaire handed to both ACCORD and IBR and will be referenced hereon as indicated here.
becoming more self-sustaining in their approach to funding choosing to sell their services - as with government contracts for training of staff mentioned - and selling products, starting businesses and investing money (Smith 2001:24). The resultant commercialization of NGOs has been a direct outcome of this approach to raising funds and will be discussed in detail below.

4.2.4 Organizational difficulties

The sector has also been plagued with organizational difficulties directly related to the reduction in funding experienced. Loss of senior staff members and their skills to a now well-funded and capacity poor new government and the private sector substantially diminished the organizational capacity of NGOs (Habib and Owusu-Ampomah 1997:5, Anon 1997/1998 and Smith 2001:26). Directors interviewed by Smith (2001:26) stated that the loss of staff had left a “skills gap” in their organizations and that the “largest problem was “attracting, training and retaining staff in all areas of operation.” Another said that they have resorted to contracting in because of the reduced staff capacity in certain areas.

The director of one NGO, in talking about the stresses imposed on the organization through loss of staff explained that she “was forced to retrench fifteen employees…(and was) currently holding three positions in the organization and often had to work twelve hours a day and over weekends” (Smith 2001:26). Although IBR has never decreased the number of employees, they have also never increased the number significantly and the job fulfilled by the managing director has been immense and multi-tasked. In stark contrast, ACCORD has increased staff capacity offering competitive market related salaries and there remains a strict division of work within the organization.

4.2.5 Sustainability issues

Sustainability has also been an issue of concern for the NGO sector with weakened identity, funding and organizational difficulties abound. Development Update (Anon 2001:182) considers the need for NPOs to become sustainable as manifold. They attribute this need to the “uncertainty about future foreign funding, stricter donor requirements, the
domestic funding limbo and a general shift towards assessing and engaging with NPOs along the same lines as business (as) NPOs are increasingly seen as technical and delivery oriented-entities rather than political entities” (Anon 2001:182).

Laurie Watson (Anon 2001:183) summarized the difficulties in sustaining NGOs. She argues that there was a lack of, “creative, dynamic and visionary leaders, effective and long-term planning, monitoring, evaluation and reporting systems to check progress, track possible problems and redesign programmes if necessary, and fundraising skills, strategies and drives.” In addition, she pointed to the “low levels of commitment” saying that “opportunism or careerism fills the space where commitment existed previously.” As a commercialized NGO ACCORD works and updates their sustainability plan on a continuous basis whilst IBR being dogged by financial difficulties, low staff capacity and a high paced work load lives out from day to day.

The NGO sector’s mostly poor relations with government can be attributed to many factors including government’s capacity or perhaps commitment to addressing the needs and concerns of the sector. Development Update (Anon 2001:8) records a further strain due to difference in macro-policy opinion. As the study will reveal, ACCORD has preferred to shy away from conflict with government in this regard and has chosen a more co-optist route. IBR on the other hand face almost daily battles with government on the basis of what it calls its “anti-poor” policies.

4.3 To Commercialize or not to Commercialize

The need to adopt a different, creative approach to survival in the post-Apartheid era has been alluded to in the discussion. In this section the difference in choice of approach can be crystallized into the step to commercialize the organization or to remain non-commercialized.

The enormous challenges facing NGOs had dire consequences for some NGOs who were forced to shut down their operations completely. In fact, on the whole the NGO sector contracted. But this does not entirely represent the reality of the situation. Many NGOs
survived and began to flourish in the new democratic era. For instance, Habib and Owusu-Ampomah (1997:3) state that the Institute for Democracy in South Africa (IDASA) has “become larger and more powerful, controlling budgets and enjoying increased monitoring and mobilizing capacity to unprecedented levels, a high profile and a considerable prestige and media profile.” Development Update (Anon 1997/1998) in perhaps alluding to IDASA-like organizations argues that the “voluntary sector has appeared to have acquired an intrinsic and distinctive… culture and an organizational confidence, which suggests it will play a leading role in public life.”

4.3.1. Intent on surviving

It can be argued that the well-being of these NGOs which include ACCORD has been secured in part by the new business-like approach to sustaining themselves that they adopted, coined the commercialization of NGOs. To this end, Niehaus (in Streek 2000:50), Chief Executive of the National Institute for Crime Prevention and Reintegration of Offenders (Nicro) said that, “NGOs have to accept the situation where a lot of the money goes straight to the government.” Rather he argues that NGOs should look at it as a “challenge to us to be more businesslike in our approach” (Niehaus in Streek 2000:50).

In the drive for self-sufficiency NGOs like IDASA have also opted to sell their services to government and the corporate sectors (Habib and Owusu-Ampomah 1997:11). According to Edwards and Hulme (1992:214) institution-building is the critical task facing all NGOs in search of “sustainable development” and to this end IDASA established an endowment fund with the help of Ford Foundation and provides publishing and radio services.

Niehaus (in Streek 2000:50) also argues that strategic partnerships need to be built with public and corporate sectors, “with a totally pragmatic approach in order to get resources.” He adds that, being more business-like has also enabled NGOs to get and keep skilled staff that would otherwise have moved to government or business.
Being more business-like has entailed keeping more rigorous accounting standards, streamlining, and introducing a degree of professionalism to their operation (Habib and Owusu-Ampomah 1997:11). Edwards and Hulme (1992:215) also speak of United Kingdom (UK) NGOs that recruited professional accountants, computer experts, fund raisers and other managers to support organizational growth because of a dramatic increase of income over the past ten years.

4.3.2 Commercialization gone completely business

Edwards and Hulme (1992:215) and Hailey (2000:407) argue that this caused a greater level of bureaucratization amongst UK NGOs and increased the danger of them becoming contractors of the international system and agenda. Bureaucratization also came as a shock to those NGO staff who were used to working on a more informal basis. “Sooner or later calls for performance related work pay and other attributes of the commercial sector rear their head and internal organizational issues, rather than mission, may begin to determine decisions” (Edwards and Hulme 1992:215). Hailey (2000:147) adds that, “If NGOs lose their core values, they lose their role. They are reduced to being just another type of contractor competing for funds, commissions and projects.”

Perhaps the most significant indictment on the commercialization of NGOs that the research found was by ex-president of French-based NGO Action Contre la Faim Sylvie Brunel. She relates that she resigned because she “quickly realized that it was a business” (Merchet 2002).

Brunel also indicates that administrative costs as opposed to programmatic costs have escalated owing to the commercialization process. She states thus,

“When NGOs say that 80% of their budget “goes to the field,” they forget to mention that the field includes the salaries of those in headquarters who are working – however loosely – for the programmes in the field…. “Salaries seem to have sky-rocketed in recent years, and not only at ACF. NGOs respond that if you want professionals you have to pay them. This makes sense to me, but donors
have to be informed. Today the average donor makes three or four times less than heads of NGOs. And he doesn’t know it because the NGOs do not function in a transparent manner” (Merchet 2002).

Brunel (in Merchet 2002) is also deeply troubled by the fact that commercialized NGOs seem to be intervening on profit and not needs basis. She explains that,

“NGOs say that they are independent; they claim to go where the needs are. I, however, have seen boards that make decisions purely on a financial basis. To ask which are the “profitable” missions, a term constantly being used, seems to be the main concern. We have become contractors to the big funders. Of course we have an “emergency fund,” but it is mainly used to finance structural costs. We are not able to respond to emergencies, in less than three weeks, during which time people die of hunger, but we still collect funds... The state should restore order and demand more transparency on the part of the humanitarian community. Nowadays in the name of humanitarian action, people will do anything” (Merchet 2002).

Bornstein (in Smith 2001:35) agrees with this contention. She relates that, “A central concern is the extent to which these measures NGOs have introduced in order to become more financially self-sustaining have interfered with their traditional missions to work with, and on behalf of, the poor.” Smith’s (2001:35) own survey results of South African NGOs reveal a similar struggle between mission and profit. He states that, “... a number of NGOs in the survey reported having changed their operational foci and refocused their work around particular themes in recent years.” Marais in Smith (2001:36) also relates that, “Another key concern is whether these NGOs are shaping their projects and programmes specifically to donor and government agendas in order to obtain funding, rather than designing projects on the basis of community needs.”

Part of the problem may originate from nature and expectations in strategic partnerships of commercialized NGOs with big businesses. This has been highlighted in scandals
emerging in the US. Two reports on the health and environmental NGO sector have been particularly informative on elucidating the problem.

“Corporate financial support of many of the country’s most prominent health-related nonprofit organizations threatens the independence and credibility of such groups, according to a report released today by the Center for Science in the Public Interest (CSPI). The report recall the negative publicity generated by the American Medical Association’s (AMA) endorsement deal with medical equipment supplier Sunbeam, which eventually forced the group to cancel the deal under pressure. More recent corporate “partnerships” indicate that the AMA scandal has done little to deter nonprofit leaders from pursuing six or seven figure grants that seem to have strings attached” (Anon 2003).

“It’s pretty clear. We’re firing blanks in this “war against breast cancer.” While industries release toxic chemicals, unsafe drugs, and radiation, they also fund government agencies and large non-profits who provide effective “cover” for their devastating activities…These organizations don’t focus on the environmental and pharmacological causes of this epidemic because it’s a dank dark alley that leads right to their corporate sponsors ” (Landes 2002).
CHAPTER 5: FINDINGS AND DISCUSSION

The focus of this section is to examine, very broadly, the workings and ethos of commercialized non-government organizations (NGOs) and their non-commercialized counterparts in post-Apartheid South Africa. The participants in this study, viz. the African Centre for the Constructive Resolution of Disputes (ACCORD) and the Institute for Black Research (IBR) are incredibly useful and intensely interesting in terms of gaining an understanding of the various and complex dimensions of similarities and contrasts between the two emerging types of scenarios that present themselves to NGOs today.

Both ACCORD and IBR present themselves as active, growing, and evolving organizations, albeit in different ways. ACCORD is viewed as a commercialized NGO that has over the years professionalized it ethos and operation to be more business-like in orientation. IBR, on the other hand, is seen as non-commercialized having remained as a donor-dependent, grassroots-type NGO through and beyond South Africa’s transition period. Both organizations are situated in the urban area of Durban, South Africa and are registered as non-profit, educational trusts.

Whilst there may be many enlightening aspects of investigation that studies on these organizations will be able to reveal, this study is tasked to critically reflect on and demonstrate which type of NGO, the commercialized ACCORD or the non-commercialized IBR meet up certain and specific indicators of efficiency. Indicators chosen stand testament to the conventional ideas of the functions and ideal characteristics of NGOs.

5.1 Background
5.1.1 Formation
The two organizations researched were formed under very different but not entirely unrelated circumstances. In fact in some ways, the research will explain, that the contrast
between their beginnings helped shape a future for each of them that is very much reminiscent and conscious of the mood of their beginnings.

IBR was, for example, established in 1972 at the height of Apartheid when the mood was arguably exceptionally tense and oppressive for black people. The trustees of IBR, in celebrating the twentieth anniversary of the organization explain thus,

“The IBR was founded...when Apartheid was in its prime, practically all anti-government bodies were banned, and the black citizenry, intimidated into virtual silence. The IBR has survived despite the fact that most of its office bearers suffered arrests, bannings and detentions at some point or other. Such violations on the freedom of the organization to exist, took its toll, office bearers were rusticated, specific programmes interrupted, yet the IBR grew steadily.” (IBR 20th Anniversary Booklet 1992:10)

ACCORD was, on the other hand, formed in 1992 at the height of the transition from Apartheid to democracy. The imminent systemic change characterized by the negotiation process made the mood arguably far more conciliatory and agreeable.

5.1.2 Perception of the conflict and of the resolution to the conflict

IBR’s formation was a response to the dearth of training of black social researchers, analysts and writers by academic institutions at the time. IBR reveals thus,

“An examination of reports and fact papers published by existing organizations and universities revealed that whilst blacks participated as field researchers and were invited on an ad hoc basis to feed information, they rarely played any part at all in the actual writing and analyzing of data. In keeping with the Apartheid tradition, their thoughts and their intellectual capacities were exploited and they

8 There is a different application of referencing used in this section. For instance, where organizational promotional material or pamphlets are used, only the title of the booklet is indicated. However, wherever possible – that is to say when available - the year and page numbers are indicated. Interview questions are listed in Appendix 1 and 2 and the year of interview indicated here. Appendix 3 refers to the questionnaire handed to both ACCORD and IBR.
had practically no control over them. A scrutiny of post-graduate theses in the social sciences submitted to South African universities revealed very few black contributions and with few exceptions, these had been guided to focus on traditional exotica.” (IBR Booklet - Khanya)

IBR constituted itself as an educational trust with a view to contributing a “black perspective of the South African reality” (IBR Booklet - Khanya). It introduced “community related research directed to community action” which would in effect correct the imbalance manifested in the skewed environment (IBR Booklet - Khanya).

ACCORD’s establishment grew out from calls on community workers, politicians, religious leaders, academics, and legal and social work practitioners to assist in the negotiation process (ACCORD in Review). More specifically, Director and founder of ACCORD Vasu Gounden relates thus,

“ACCORD was established...in response to the proliferation of low level community conflict in South Africa. The conflict was a consequence of the growing battle among the various political protagonists for space in the complex social environment of a country in transition from governance under Apartheid to democracy” (Gounden 2001:15).

ACCORD thus set itself up for the task of educating and training people on the road to democracy. Indeed paramount on the agenda was also the popularizing of the art of negotiation as a way to resolve disputes in a deeply divided and resentful population and the creation of forums and institutions for the expression of these skills. An organization, like IBR, constituted itself as an educational trust for this purpose.

5.1.3 Leadership
It is interesting to note that the founding leaders of both ACCORD and IBR have remained with their organizations’ since their inception.
Professor Fatima Meer, prominent activist in the struggle connected with the ANC started IBR as the coordinator, also known as ED in contemporary corporate speak. In the early days she ran the organization from her office in the Sociology Department at the University of Natal Durban (UND) (IBR 20th Anniversary Booklet 1992:9). The testimony of her commitment is viewed not only in her staying power, as she remains at present Executive Director for all 31 years of the organization’s existence, but also in that she has always given her services on a voluntary basis (IBR 20th Anniversary Booklet 1992:9). Ramesh Harcharan also contributed from early days as Senior Executive Officer or Managing Director and despite offers from other high profile organizations a former IBR volunteer once stated, he remains committed to the organization.

Vasu Gounden started and continues as Executive Director of ACCORD, an organization far shorter in lifespan being just 11 years in age. Gounden thinks of himself as a “dreamer” and “idealist” and someone who “has the courage to make unpopular statements” like when he said “NO” to a student boycott when he was Student Representative Council (SRC) president and a student at the University of Durban-Westville (UDW) at the height of Apartheid when boycotts were common place (Informal Interview – 2000).

Like IBR, the office of ACCORD was humble being manned by a small staff with Gounden in charge in a small space in a building at the UDW. Perhaps the vision and commitment of Gounden, his growing stature amongst high profile figures in conflict matters and his firm steering of ACCORD, amongst others, has advanced the rapid growth of the organization in terms of resources. A staff member9 of ACCORD attests to this single-mindedness of Gounden’s vision stating that, “Vasu is both a visionary and a politician and someone that does not take criticism easily” (Interview - 13/05/03).

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9 Two interviews on 13/05/03 and 16/05/03 were conducted with a staff member at ACCORD who did not wish to reveal their identity because of fear of possible victimization at the organization given the very sensitive nature of the issues discussed. The staff member agreed to go on record and to be referred to as staff member X in the study.
5.2 Indicator 1: Values-based driven programmes and delivery

5.2.1 Vision

The vision of the organization and indeed its raison d’être often lies in its mission statement. For IBR their mission statement as at 1992 read as follows:

“The Institute for Black Research is committed to creating research, writing and support programmes of social reconstruction.” (IBR 20th Anniversary Booklet 1992: 5)

Harcharan adds that since then, their mission has been expanded to include “social upliftment programmes, skills training, empowering communities and poverty alleviation” presumably to be more in keeping with the changing needs of South African society (Interview - 2002). He is also keen to point out that commercialization is inconsistent and in fact, the antithesis of IBR’s vision. He states thus,

“We cannot achieve (our) aims if commercialized...People who bring manuscripts, if (we) charge fees - not achieving mission statement. (We) may (as well) become consultants of government. Won’t be more effective if commercialized and won’t reach target audience” (Interview 2002).

It is clear that Harcharan has firm and passionate insights about what is means to be a commercialized NGO, based on his dealings with commercialized NGOs and from his general knowledge of the field. His regard for commercialized NGOs is thus viewed as nothing less than contemptuous. He argues thus,

“Commercialization attracts a shit load of funding. (If we) run like corporates, (we) can be listed on the Stock Exchange. (But NGOs are) meant to be grassroots. Since 1994 (the) focus has shifted. Historically NGOs were anti-government. However, since 1994 they have become commercialized and charge huge fees to government. (The) focus on development (is) lost. No one does that sincerely. (It’s about) staff, funding, cars and very little is done. (Interview – 2002)
ACCORD’s mission is very eloquently phrased by Gounden in OD Debate (2001:15) and presumably seen as enveloping in the same spirit as IBR’s and read as follows,

“ACCORD’s mission is to seek to encourage and promote the constructive resolution of disputes by the Peoples of Africa and so assist in achieving political stability, economic recovery and peaceful co-existence within just and democratic societies.”

“The key values that underpin our mission are a commitment to the peaceful resolution of conflicts and the empowerment of the Peoples of Africa, to enable them to resolve their own conflicts. In implementing our mission, we have adopted the principle of Impartiality, to guide our work pledging to operate in good faith and without fear or favor.”

However, just one year after this article was published, staff member X at ACCORD recalls a very different mission put forward by Gounden. Staff member X reveals thus,

“Prior to the strategic planning meeting (of last year) Vasu drafted an approach for the next five years. Vision was completely rejected for a number of reasons – wrong approach, wrong premises... Betrayed the fundamental principles of what we believe in, to be a political vehicle for change, we will be the master’s voice, we will not criticize government and president... ‘N’ Principle – Neutrality Principle – we will not criticize. ‘N’ Principle has always been there but never spoken about. Managers said we need to adopt the ‘I’ Principle – Impartiality Principle. (In the) 1998 Conflict Trends first issue Vasu’s Foreword he says (we) cannot remain silent in the face of oppression, injustices, brutality and violations on human rights. What he said then and what he said last year were two different things. If were are to be involved with Nepad and AU – wrong not to seriously criticize and see faults based on that and. (Eventually we) rejected his
It is clear that there is a marked incongruity between Gounden’s mission and the way in which the staff member X relates Gounden’s view of the mission. Moreover, it is very real and incredibly disturbing to note that a conflict resolution organization has to argue over or be ‘confused’ about who’s side to take in a conflict. Beyond disturbing, it is absurd and highly unethical.

Staff member X then reveals that the real vision is one more in tune with pragmatic considerations and encompasses the rolling out of the commercialization plan. Staff member X states that the vision is the “ACCORD Group” with three arms namely, investment, consulting and NGO arms (Interview – 13/05/03). In this scenario Gounden will be the “super boss of a very large operation” (Interview – 13/05/03). However, staff member X admits that “at this stage (ACCORD is) only an NGO and he (Gounden) sits as head” (Interview – 13/05/03). Staff member X also seems to concur with Harcharan on the conflict between commercializing and the vision of an NGO. Staff member X explains,

“But within the NGO we are consulting to prepare for eventuality. It is still an NGO because it is funder-based. That’s the noble idea which I support. (The) distinction between (being a) traditional NGO and company is blurred. We will not do anything for free. If a community in Kwa-Mashu has a conflict we will not go there. Who cares about them! But, if Engen or Anglo-American gives us $200 000 we will do it.” (Interview 13/05/03)

5.2.2 Ideology base
Harcharan in his typically grounded approach has this to say about the ideology base of the organization:
“No. (We are) realistically based. Our mission statement is realistic, realistic in that we can quantify results. I had communism at the back of my head. Dumisani Makhaye is a great communist. We are more socialist – operate within that Cuban (framework) example, everybody has a job, can survive. If there is such a thing as a realistic socialist. (We could) deliver irrelevant papers and not really achieve, can grandstand (but) does not filter to the people on the ground.” (Interview - 2002)

Legal volunteer at IBR Heinrich Bomke reveals the ideological underpinning of IBR in more or less a rant. He explains that,

“IBR is... proto political – comes before a political party but not vote catching... (It’s a) new form of NGOism – to unleash the power that is inside... We try to constitute powers ourselves which is a different way of organizing... How are we going to advance the interests we have in common – not just technical things but power?” Rests on central questions and indeed premises: “Do you believe that GEAR is not going to meet people’s needs? Has the ANC government lost sight of struggle in eighties and ignored the Freedom Charter?” (Interview - 2002)

It is this kind of gung-ho idealism that IBR seems to thrive off on and one can just imagine late night sessions of leftist conjecturing as the real basis of their roll-out plans.

Gounden’s response to the question is quite the opposite and in fact politically correct in the extreme. He states thus,

“No. (We’re a) neutral third party organization. (We) cannot be seen to espouse an ideology. What we do espouse is an ‘African Identity’ – an African organization that operates in Africa” (Interview – 2002)
The idea that ACCORD has always been the “master’s voice”, related by staff member X, obviously flies in the face of this statement. It is this kind of politicking and behind the scenes hypocrisy, that make ACCORD’s vision difficult to believe.

5.2.3 Goals
Harcharan relates IBR’s goals then and now. He explains thus,

“Initially it was to facilitate research and writing amongst the dispossessed. (We are) still doing that but large publishers don’t look (at us) – so we publish – some raise own funds and we publish because status quo hasn’t changed. (Now we have) added to aims and objectives poverty alleviation (1999), skills training (1996), canvassing Indian voters to vote for any black party (1999) - but huge problems with that so embarked on poverty alleviation programmes, working in 27 communities in KZN and extensive surveys initiated by CCG.” (Interview - 2002)

Bomke calls the new goals as the “confrontational/watchdog role” of NGOs. Embodies in them are the advocacy/lobbying, empowering, challenging (evictions/cut-offs for example) goals that IBR endeavors to achieve. He argues that, “deepening democracy is about allowing people a greater say in their lives, (it’s a) form of struggle, defending rights, confronting powers, determining policy” (Interview 2002).

“ACCORD’s most apt way of describing ‘the’ goal of the organization is a pictorial image of the continent of Africa with the slogan “Creating African Solutions to African challenges” at the top left hand corner of ACCORD’s online history site. The image without the slogan is also used as their logo on all their published material. This goal translates into a “challenge” for the conflict resolution organization to create a stable environment to facilitate the process towards democratic governance in Africa. This challenge is based on identifying the underlying problem in Africa of weak structures of society, which characterize many African countries” (Reddy 2001: 21)
For Jerome Sachane Deputy Director of ACCORD this expansion of the brief has implied that the “goals have shifted because of the dynamics and the fact that we are not in the same position as 1992” (Interview - 2000). Michael Lange Trainer at ACCORD also feels that the goals have changed because “in 1992 there were fewer staff but we were working in a bigger field. Now ACCORD has increased its capacity, expanded across the horizon, and is able to interact better…” (Interview - 2000)

For Gounden disjuncture is not acknowledged in our interview. For him the vision of ACCORD has always been “to change the way in which we resolve conflicts in Africa and to create an institution that will allow us to do that.” He articulates the general and specific goals of ACCORD as follows:

**General Goals**
- To build as much skill as possible in alternative ways of resolving disputes.
- To build a body of knowledge in the area of conflict resolution that is African specific so as to encourage research and training in Africa.
- To create institutions on the continent to allow people with these skills to use it in practice.

**Specific Goals**
- To build academic departments in conflict and peace studies and establish a number of programmes that impact in a number of areas targeting specific groups of people who ACCORD thinks need these skills.
- To identify and assist NGOs in Africa that require capacity-building.
- To work with government departments to build conflict management mechanisms within these departments. (Interview 2000)

Gounden (Interview - 2000) contends that the direction of the organization has been “very consistent” such that the “goals have remained the same because of the consistency with which conflicts have evolved on the continent”. He adds that what might have changed is the “strategy” of how the goals are approached. He states that, “Whereas in
1992 we may have wanted to set up a number of satellite offices of ACCORD we found that because of resources and management problems etc we actually decided to centralize everything and to build capacity in different institutions as opposed to building satellite offices of ACCORD” (Interview – 2000)

Gounden (Interview - 2000) also admits that the “impact” of ACCORD has changed. He explains that, “What we tried to do from the beginning was to identify what we wanted to do and then try to find the best way of doing it. What we wanted to do was to resolve conflict in Africa. In order to do that we had to identify who we wanted to do that with…” Although working at lower levels in South African experience, ACCORD came to the realization that working with NGOs alone and at low levels would not work. In fact they had to engage with various sectors of civil society, business and the state, because they were all involved in conflicts in one way or the other.

By doing this the impact and reach of the organization’s influence changed. To this end ACCORD sees its success as being able to transplant lessons from one context to another, often a much broader, more high profile context for far reaching results. It has also been recognized by the United Nations as a model for conflict prevention and transformation on the continent (USAID final report).

Gounden states that in order for ACCORD to impact at a higher level they had to professionalize the operation. He explains thus,

“There is a fine line though, between opting for that kind of approach to running a NGO and staying on track with the goals, because once you become focused on commercialization as opposed to professionalization you become driven by new motives - the motive of profit - which inevitably means that you have to compromise along the way, because this is the nature of how business is done. We were very careful to ensure that this did not happen and the way we did that was to ensure that we had a very clear demarcation of roles so that the people
who were involved in the commercial aspects, whether that was managing the finances on a day-to-day basis in a very professional way, running the fee for service of ACCORD etc. were very distinct from those who were advancing the social and political goals of the organization. And one of the key factors is that as Executive Director I got very little involved in the commercial aspects, the day-to-day running of the organization etc. and concentrated almost entirely on the political and social goals of the organization. The Executive Director, as the chief of the organization is entrusted with the goals of the organization and has to strategize for the organization, and it is important that that person does focus on that (commercial) aspect.” (Interview - 2000)

However Gounden admits the situation is different now. He states that,

“Now I am responsible for fund-raising which is different from managing funds, I am not involved in any fee for service activity. I am involved in broad strategizing, but we have now institutionalized the political and social aspects of the organization into our programme activities so we have staff that drive the process, which frees me up to concentrate on sustainability, not commercialization. And sustainability could mean that we have to include aspects of commercialization into the organization for example the Peace Centre that we are going to build will be a completely commercial activity. So we will own the asset but we will give it to a management company to run. The profits will come back to ACCORD but on a day to day basis we don’t have to focus on the commercial aspects.” (Interview - 2000)

5.3 Indicator 2: Impact and Effectiveness of Resources

5.3.1 Resources

5.3.1.1 Infrastructural

The infrastructural set-up of IBR differs drastically from that of ACCORD’s. For starters, IBR is still located at the UND, albeit at a different location, being housed in a two-room office for a number of years. All evidence shows that the equipment it keeps is very
basic. The desktop computer that Harcharan uses is clearly an older model that does not have the latest computer programmes installed. In fact, it is possible that the computer dates back to 1985 when IBR received funds to purchase office equipment (IBR 20th Anniversary Booklet 1992:65). There is a fax machine and Harcharan does have an email facility. The furniture is frugal and practical and the two biggest walls of Harcharan’s office are lined with lever-arch filled bookshelves containing IBR documentation kept from their years in service.

ACCORD on the other hand moved from a humble office at UDW to a very plush office in the revamped, up-market Mt. Edgecombe area, adjacent to the pristine Mt. Edgecombe golf course. The organization is the biggest leaser of office space in the building, occupying an entire floor, and the building is thus named ACCORD House. The organization plans to move again to a new R40million Peace Centre that the organization is planning to build in the Bluff, a key location at Durban’s waterfront area. The organization initially planned to build the Peace Centre in Umdhloti to the north of Durban. The office which boasts two conference rooms, a library, kitchen, and suites for the Executive Directors and Deputy Directors including separate offices for programme officers is currently very well equipped. Programme officers and the directors have recently acquired laptop computers in addition to already present desktop computers. Some of the plush office furniture was provided by one of ACCORD’s strategic business partners, Spoornet (Interview with Jerome Sachane - 2000).

5.3.1.2 Budget size
There are also huge differences in the budget sizes of each organization. For example, IBR indicates that its budget has increased over the years but has been always been less than R200 000 from 1992 – 2002 (Appendix 3). This is interestingly the lowest indicator on the scale. ACCORD’s budget on the other hand occupies the highest indicator, over R10million for years 2001 and 2002 (Appendix 3). Furthermore, the lowest budget the organization has ever recorded, at inception in 1992 has been in the R500 000 – R1million bracket, the second lowest on the scale. The budget has increased quite dramatically since then.
IBR indicates that there have never been any budget surpluses at the organization. ACCORD’s surpluses “on grants and projects that are multi-year funded are carried forward, where grants on projects are completed surpluses are returned to the funder, profits if made, are used to further a project or generate new projects or are used to fund unfunded projects or services” (Appendix 3). Staff member X indicates that ACCORD is running into some financial difficulty though because some of the office space is being let out and there is downsizing of staff currently taking place (Interview - 13/05/03).

5.3.1.3 Funding

Both IBR and ACCORD indicate that their funding comes from numerous sources (Appendix 3). IBR indicates that the much of their funding comes from bilateral sources, SA government departments and SA companies and donations. However, they suggest that the level of international donor funding has decreased steadily. In fact, since 1986 there has been no international donor funding except in 1990 for R40 000 for the publishing of a book. Harcharan explains that “donor requirements and donor priorities have changed (to) focus on re-development and re-empowerment” (Appendix 3).

Oddly, he states that SA government funding has increased but is project-based given the following:

“(The) South African government sees us as militants. (In building the) monument (they) asked us questions about CCG (and it was an) uphill battle to get R200 000.” (Interview - 2000)

It is also odd that 50% of the organization’s funding is self-generated but the organization is not commercialized. Harcharan explains that the organization is not profit seeking and that funds they do generate from book sales actually run at loss. He adds, “We are forced to (generate funds on our own) because of funding problems. We cannot be self-sustaining because of the work we do. (The money from sale of the) books (are just a) small amount” (Interview 2000).
In the early days funding was minimal and quite erratic. For four years after inception in 1972, during the dark Apartheid days, IBR received no funding at all and survived by the will and commitment of its voluntary members (IBR Booklet - Khanya). Several small amounts were given for staff salaries from 1976 – 1982, 1986, 1989 and 1991. Some money was also given in 1979 for the Tembalishe Tutorial College and Craft Centre, 1982 for research and publication into the black child, 1983-1986 for research into women, black non-governmental organizations and their access to power, justice and Apartheid,, and a study of Brandfort, 1990 to subsidize worker’s copies of Higher than Hope and in 1991 – R164 227.54 for national survey into negotiations (IBR 20th Anniversary Booklet 1992:65). In 1992 IBR stated that it maintains it “running expenses though interest earned on capital investment of R134 000 and from book sales” (IBR 20th Anniversary Booklet 1992:65).

ACCORD also has funding from a range of sources including bilateral, multilateral, private agencies, international corporations, SA government departments, SA companies, self-generated funds, investments sources. Its level of international donor funding, in stark contrast to IBR’s has increased dramatically by 900%. Ironically, they have motivated for a change to self-generation of funding using similar argument as IBR for the change. ACCORD argues that the “reliance on donor funding is not advisable for the long term as donors shift their priorities” (Appendix 3). In addition they suggest that,

“Having staff spend large amounts of their time generating funding proposals each year is not productive and also leads to insecurity among staff. Secondly, for the work we do, we require a level of self-funding that allows us to retain our independence from funders.” (Appendix 3)

On the other hand IBR does not have the time or resources to write up proposals as does ACCORD. IBR rarely writes up proposals for funding and certainly lacks the business savvy to hone in on particular donor requirements. This is in stark contrast to ACCORD’s way of writing up and managing funding proposals.
Interestingly the amount of self-generated funds ACCORD records is only two percent yet they are pioneering the commercialization effort (Appendix 3). It is possible and indicated that ACCORD opts for the double funding method suggested in other indicators where they record funding from donors but not monies received from company/organization they are contracting to. Gounden also indicates that the self-sustenance choice is also attained through the following: “Funding (has) changed from being moderately financed to one that managed offshore assets amounting to over R40 million, with additional projects that are independently funded at sustainable levels” (Gounden 2001:15/16).

5.3.1.4 Staff
IBR’s staff compliment has not changed drastically over the years. From a paid staff compliment of five in 1996 IBR now employs nine people including those trainers in the various outreach projects. IBR has a system though whereby the people who are trained eventually leave the organization. In the early days IBR survived on voluntary staff only. Staff compliment at ACCORD grew from just three in 1992 to 30 by the end of 2000 (Gounden 2001:15). This figure is bound to change though with the proposed downsizing of the organization.

5.3.2 Scale of Impact and Coverage
5.3.2.1 Projects
IBR indicates that it is involved in both “short and long term projects” (Appendix 3). Presumably the publishing of books and research projects are shorter term projects. From 1973 – 1996 54 research reports and books have been published. The “Poors of Chatsworth” written by Ashwin Desai (2003), which chronicles the struggles of people in the low-income area and on the CCG’s attempts to aid the people, was also published. This ran at a loss, Harcharan explains, because South Africans are not a reading nation. A survey to the Metro Council on the socio-economic conditions of residents in 2002 is also part of the repertoire. Shorter-term projects also include rallies and marches that the organization is involved in and short-term interventions in areas of need.
The longer term projects involve the following: As at 1992 200 students were trained in conducting research. Also, money has been given to IBR since 1987 to take on two students each year for University of Natal Internship training programme (IBR 20th Anniversary Booklet 1992:14). The Khanya Sikhaya Primary Health Care Centre and Khanya Women’s Centre, Khanya Crescent of hope meal-a-day are part of the on-going social upliftment efforts.

Through its efforts in the various CCG’s in Durban and surrounding areas IBR believes it is making a sustained impact on the lives of the poorest and most downtrodden in society. They are visible and active in every dispute between council home occupants and the council that wishes to evict them. They mediate in short-term conflicts between the two parties, assist in service provision – at times illegal if necessary – provide free legal assistance and help devise strategies for the future survival of the those most in need. Their impact is thus viewed as wide and profound.

ACCORD contends that it has made a “shift towards longer term projects…driven by our analysis of the challenges that we are trying to meet in Africa. Most conflicts are driven by root causes that are structural and require long-term responses” (Gounden 2001:15/16). Because of this, it is presumed that ACCORD will readily submit that the real impact on conflict-ridden zones is not easily measurable. Instead, they rely on their imparting of negotiation and diplomacy skills to key people in conflict areas including military personnel, members of government bureaucracy, NGO personnel, and leaders from various sides of conflict to filter through the system and imbue the mindset from one of conflict to one of peace and co-operation.

Short-term projects include African regional interventions. In 1997 there were two such interventions, in 1998 three, in 1999 five and 2000 four (ACCORD Budget statistics). There are also various conflict resolution training projects that the organization engages in. In 1997 the number of trainees were 956, in 1998 919, in 1999 1294 but in 2000 just 461. This drastic decrease in the number of trainees is explained as “change in strategy, that of a more intensive training to a smaller, higher level of personnel that will replicate
the training in key sectors” (ACCORD Budget Statistics). Interestingly the long term projects include publications which are produced at regular intervals. In 1997 there were seven publications, in 1998 four, in 1999 14 and in 2000 (ACCORD Budget Statistics).

5.3.3 Effectiveness in achieving Objectives
Inferences on effectiveness of each organization in achieving objectives can be made using various indicators.

5.3.3.1 Programme costs versus administration costs
IBR indicates that the lion’s share of its funding approximately 80% goes to servicing target groups (Appendix 3). The other 20% goes to administration costs. The organization also declares that they have not introduced fees to communities previously given to communities for free (Appendix 3). Given that the organization is very grassroots based and relies heavily on voluntary work these statements seem believable.

ACCORD declares that approximately 85% of its funding goes to target groups and a mere 15% on administration (Appendix 3). They also stipulate that they have not introduced charges for services they used to provide to communities for free. However, staff member X challenges this.

“(It’s) not true. (We) will not do community work if not paid… (There is a) business sense in dealing with funding. We would have put down R10 000 knowing full well we only need R5000. This is one of the things that made ACCORD survive – assured way of handling finances. Organizing – everything’s done. (We) stay where (we are) comfortable and safe – created idea. ACCORD is all image and no substance. There is a sense that NGO’s not supposed to do this.” (Interview 2 – 16/05/03)

Staff member X relates a specific instance where funds were inappropriately handled by ACCORD.
“Kenyan electoral commission (people) had to be trained. (We said) let’s do it in two weeks. Kenyan government gives ACCORD R25 000 and (we get) R50 000 from funded sources. At least R25000 or half of money is saved. It’s part of the necessary evil to survive. Money accounted for in books but don’t know where cash is gone to. It does happen from time to time.” (Interview 13/05/03 and 16/05/03)

Staff member X also argues that in this way the lion’s share of funding does not go strictly to target groups. Programme costs include salaries as well as misappropriated funds. (Interview – 13/05/03)

5.3.3.2 Salaries
Salaries have been alluded to above but are explained in more detail. IBR states that staff salaries are drawn from funding for projects only if it is budgeted into proposal. In fact, most of the money IBR has received for salaries has been monies requested and received specifically for salaries. In other words they has been ostensibly no impact on programme costs and all monies thus received for programmes would then arguably go to that end. A previous IBR volunteer supports this by arguing that the organization was not even aware that salaries were really allowed to be factored into programme funding. Harcharan himself says that the organization deals with “more project-related funding and funders don’t give salaries” (Interview – 2002)

There are no benchmarks for salary guidelines. Harcharan relates that salaries are in fact just “slightly above the minimum” (Interview- 2000). The percentage distribution of salaries is roughly 40% for managing director, 10% each for programme officers, 13% for admin assistant and 6.7% for the caretaker. There is a thirteenth cheque incentive to compensate for poor salaries though (Appendix 3).

ACCORD’s salaries are drawn from funding for projects and/or grants (Appendix 3). “Each programme or project has specific outputs to be set and therefore requires its own staff” they contend. The budget documentation also suggests that salaries are a big
component of proposals. From 1995 - 1999 salaries accounted for 20% – 41% of monies used on each programme. There are also indirect costs which include staff development that account for 14% - 20% of the total budget for programmes. All indications are that the 85% that ACCORD state goes to programmes is highly exaggerated. Staff member X also explains that there’s a new line item in all project proposals to funders, a management fee, over and above all other costs. This measures at 15% and is a “sign that we’re not doing well” staff member X concludes (Interview 16/05/03).

The benchmark used as salary guidelines is Human Capital Corporation – Deloitte and Touche. On an advert that they posted for new staff ACCORD states that salaries are “market-related” so as to attract high caliber professionals to the organization. The thirteenth cheque incentive is also utilized by ACCORD and performance-related bonuses and shares in company investments are “under consideration” (Appendix 3).

Staff appraisals are also part of the business-like way of assessing the high caliber professionals. Staff member X disagrees vociferously with this method of evaluation. Staff member X reveals thus,

“Staff appraisals used for promotion and demotion. (There’s an) independent mechanism that (a) company controls. Management should have the power to say NO (if they don’t agree with the strict, rigid business-like assessment). Business and NGO feelings are different. Business aspect says that staff X will not move if no money or don’t break even” (Interview 13/05/03)

ACCORD did not wish to reveal the percentage distribution of salaries throughout the organization. Staff member X has specific feelings about this. The following is revealed:

“(There is) no transparency in salaries. (They say it’s a) personal matter. (But it) does not augur well if Vasu drives a Mercedes and half the staff don’t even have cars. If you look at all of us (staff) there is some discrepancies... (We) live in
frustration. (We think) perhaps he can afford to because he earns more than I do”
(Interview - 13/05/03)

5.3.3.3 System to determine effectiveness
Both organizations have some system to determine effectiveness. IBR states that they exert control and are answerable to trustees who “prevent mismanagement and loss of direction” (Appendix 3). ACCORD suggests that staff appraisals are important for determining effectiveness (Appendix 3). They also use a variety of management techniques to determine effectiveness, like IBR, including internal and external monitoring and evaluation. ACCORD believes that “continuous assessment and evaluation of our work allows us to reflect on our successes and failures and gives s the opportunity to amend our approach accordingly.”

5.4. Indicator 3: Collaboration with other stakeholders
5.4.1 Is there collaboration and with whom?
Both IBR and ACCORD laid claims to extensive collaboration with many different stakeholders. When asked about IBR’s ties with other stakeholders on two separate occasions, Harcharan spilled out a list of them repeating many in both interviews (2002). Amongst the most important (I assume) are the links with 27 areas in which Concerned Citizen’s Groups (CCG) are located, which is an on-going initiative concerned with addressing socio-economic issues such as provision of basic services in the various communities. The CCG’s are intimately linked with IBR, getting advice and assistance from the organization but whose leaders are mostly pooled from within each community. For instance, “Fathima (Meer) worked with worker’s college (and) runs training for resident communities.” Harcharan also states that the IBR also “ran an election campaign for a (CCG affiliated) candidate” (Interviews - 2002).

Harcharan also alludes to the organization’s affiliation with a range of vocal leftist lobby groups, denoting their own leftist political leanings.
“We started the Chapter of the Jubilee 2000 in KZN. (We) work with Palestinian support groups, (the) TAC (Treatment Action campaign), “anti-privatization Forum”, “Landless Committee”, (US declared attack on) “Afghanistan” and “anti-eviction campaign” (Interview – 2002).

The last of which is irrevocably connected with the CCG’s activities. He declares that IBR attends “conferences and workshops and supports them in their endeavors” (Interview – 2002). This includes gathered from witnessing preparations attending, organizing and coordinating marches and rallies for these groups.

Harcharan relates that IBR is not only involved with these political-type of associations. IBR has partnerships with research organizations like the Centre for Organizational Research and Development (CORD) and other universities like the University of Western Cape (UWC) (Interview – 2002).
Contrary to their mostly critical stance against government IBR has engaged with the Department of Transport in a road safety programme and accepted money from the Ministry of Culture, Heritage and Tourism in the building of a monument (Interview – 2002). Harcharan found it rather difficult to explain the acceptance of rather controversial money from a government they are openly critical of in its so-called anti-poor policies. After much urging he agreed that perhaps IBR can retain their independence and be critical of government whilst still choosing to collaborate on agreed on projects. The fact that IBR cannot articulate this hypocrisy clearly enough is a cause for some concern in believing the integrity of their cause.

There is also much to worry about with ACCORD’s collaborations. Gounden highlights the collaborations with other NGOs like Institute for Security Studies (ISS) and the Norwegian Institute for International Affairs and Universities like The University of Pretoria in the Africa Dialogue, the Swiss government on the Constitutionalism Programme and the United Nations in the Conflict and Peace Studies Programme.
But, staff member X argues boldly that ACCORD has:

“No ties with other NGOs and CBOs. Those who get there first will do it (work). There is duplication that’s why the idea of SANGOCO is good (presumably to monitor and cohere operations amongst organizations). (We are) not part of SANGOCO. (There are) very few collaborations. In Africa we do it on our own. Right now we want to launch a public lecture series but other NGOs are doing that as well - Diakonia is doing it. Some speakers we want – there will be partnership there. (But other organizations are) doing almost similar things that we are doing.” (Interview 2 – 16/05/03)

ACCORD also has strategic partnerships with big businesses that, analyzed superficially, seem creative and mutually enhancing but are also highly problematic.

When questioned on collaborations with big businesses Gounden only reveals the partnership with Engen in funding the Africa Peace Award, a prestigious competition and ceremony to honor leading people in conflict resolution matters. The ACCORD staff member previously mentioned reveals that there is far more intimacy to the dealings with Engen. He uncovers that ACCORD helps,

“Identify areas in Nigeria worth investing in (and) facilitated meetings between political parties and Engen. NGOs shouldn’t be doing these things. (We) fly former head of state (of Nigeria) from Nigeria to meet ACCORD execs in ACCORD’s office. Now (we are) in Angola as well. Vasu (was) there recently doing something. In glorified language it is political risk analysis. Only one other NGO in Africa doing that, Institute for Security Studies (ISS). We are only doing it for Engen. That is information that makes decisions” (Interview – 13/05/03)

Deputy Director of ACCORD, Jerome Sachane spoke of a similar relationship with Spoornet and IBM in 2000. His perception on what an NGO should and should not be doing is quite different though and he states quite matter of factly,
“The country’s rail network, has furnished ACCORD’s office. Spoornet has the capacity to expand into the rest of Africa. So, we send our team on excursions to survey opportunities. We are credible and there is a need for businesses in South Africa to expand and we will help bring you into contact with influential decision-makers in Africa. Through our research unit we can scan the environment to assess how stable (a country is). Doing tracking in Burundi, want ACCORD to do a feasibility study…we have resources and profile to do this.

IBM set up our early waning system – to track conflicts before they happen – and provided the organization with office equipment. In turn ACCORD has increased the company’s marketing capabilities on the continent.” (Interview - 2000)

There are various aspects to these types of collaborations that are of concern. Firstly, is Gounden’s lack of transparency in elucidating on the extended dealings of ACCORD with Engen. Secondly, is the feeling of an ACCORD employee that the relationships ACCORD is engaging in are not completely wholesome, and are in fact ones that NGOs are not supposed to be doing. Added to that is the employee’s view that ACCORD is not as stated by Gounden engaging in any real collaboration with other NGOs and CBOs. And lastly, of most concern are the resources that ACCORD uses in the Political Risk Analysis in place of and at the expense of the organization’s objectives.

5.4.2 Benefits of collaboration
IBR and ACCORD directors’ rhetoric seems to concur on a key benefit of collaboration, this being that collaboration can be a mutually beneficial endeavor. Harcharan felt in particular that collaboration helps with “networking with other organizations”, to “promote our work”, and helps “sometimes financially” (Interview - 2002). Gounden relates that collaboration enables “a larger breadth of experience” and aids in “credibility, legitimacy with quality partners” and “they (partners) also get benefit from associating with an NGO” (Interview - 2002).
As much as they concur, it is apparent that both organizations’ view the benefits of collaboration from their different ends of the NGO food chain. Harcharan, for example, sees collaboration as offering IBR a considerable amount in terms of financial assistance and in the promotion of their work. Perhaps Gounden’s self-assuredness of the strength of ACCORD leads him to believe that partners gain more considerably from engaging with ACCORD. Of course Gounden also believes that “donors like to see joint ventures” which presupposes a more real reason for the engagement with other stakeholders (Interview - 2002). To put it crudely, the collaboration on paper looks good than actual, real efforts to maintain and sustain partnerships with other organizations.

5.4.3 Challenges of collaboration

Harcharan found that the most troubling aspect of collaboration with ‘white’ organizations was their “paternalistic attitude” towards ‘black’ organizations like IBR (Interview - 2002). When asked to explain Harcharan generally agreed with the fact that these organizations were patronizing, felt they had more to contribute and did not take IBR seriously enough for this reason. This kind of sentiment seems reasonable as a carry over of Apartheid legacy. This tied with a possible perception that IBR was small and less prestigious than some other NGOs would contribute to feelings that they could be bullied.

Gounden couches the challenges in more general terms stating that “cultural differences” were a problem (Interview – 2002). And, although he does not state it explicitly it can be argued that the similar feelings of paternalism would to some degree besiege ACCORD being considered a ‘black’ organization because they have a ‘black’ director. Gounden also explains that “value systems” can come into conflict, for instance “ISS doesn’t necessarily espouse views that we do”. Also, some “don’t have thorough financial systems (and) couldn’t account for monies dispersed, (whereas) for us every single dispersement must have a receipt.”
5.5. Indicator 4: Continuity and Sustainability of Intervention and Flexibility in Delivery

5.5.1 Continuity and Sustainability

5.5.1.1 The argument for continuity

Gounden believes that the argument for continuity rests primarily on the parochial issues versus phenomenon dichotomy. He explains with reference to ACCORD,

“We are not an issue-based organization whose existence ceases once the issue has been resolved. Our work is focused on dealing with a phenomenon – that of resolving political disputes, which is an enduring one linked to human nature.” (Gounden 2001:15/16)

However a staff member from the Peacekeeping Division at ACCORD, Kwezi Mngqibisa believes quite differently. He argues that the organization was issue-based at inception and decided to change – that is to adopt a phenomenon-based approach - once the issue they were tasked with was resolved. He relates thus,

“ACCORD started with one goal – trying to resolve student conflicts. The broad aim was to serve as a conflict resolution organization but (we) did not envisage becoming big or surviving after that conflict was sorted out. But after the student issues were largely resolved as a result of the end of Apartheid (we) started to find new projects and were constantly changing, but with conflict as a backdrop.” (Interview - 17/07/00)

Perhaps Mngqibisa’s views relate to a more fundamental belief about the continuity of NGO’s. He argues that,

“NGO’s are not supposed to be permanent features. Some must die and give way to others. (We) can’t set up (the) operation as a permanent structure.” (Interview 17/07/00)
This is also in contrast to the general belief at ACCORD that it is becoming institutionalized.

Harcharan’s concept of continuity is not derived from the idea of parochialism or phenomenonism. It is more needs-based, emotive and reality-based. He explains that,

“We owe it to the communities. They rely on us very heavily on us and should we not be around we will be letting them down. If it means losing blood, getting shot at, tear-gassed…” (Interview – 2002)

Of course these so-called communities that IBR assists for instance with the CCG’s work, did not exist as IBR’s primary focal area when they started. This also suggests that the organization is evolving from helping the dispossessed during the Apartheid era to helping the new dispossessed in the post-Apartheid era making IBR arguably phenomenon-based as well.

5.5.1.2 Sustainability plans

When listening to Harcharan talk about IBR’s plans for the future is it obvious that the idea of an approach to sustainability is simply not an issue. Although stating that a sustainability plan is in place, he eschews the actual concrete details of it and relies more on a kind of missionary zeal to the concept of sustainability. He explains thus,

“Yes (there is a sustainability plan in place). IBR is 30 years old. I won’t allow it to fall down. (We) will apply for funding only when we need it. We have money for the next five months. Early next year we will apply. We do not duplicate applications. Some apply to two or more funders with same reports.” (Interview – 2002)

Harcharan also admits that the organization does not have the time or capacity to be writing up proposals all the time. A former IBR volunteer will confirm that proposals are indeed done in a very ad hoc manner, salaries are not even factored into them and that
when IBR gets the money they dispense of it in the most economical manner, often using up their own resources to cut on costs and maximize benefit. The volunteer explains, “They will use their own car into rural areas where the roads are very poor because they want to save costs not realizing that the long-term effect it will have on wear and tear of the car” (Informal interview – 2003).

It can be argued that this attitude epitomizes the idealist, proactive attitude of many grassroots organizations. However, the question and indeed problem with this very unpragmatic approach is evident. Will IBR survive without the present company that it keeps? Perhaps more pertinent though, is will it want to survive with a new breed of NGO professionals who see NGO work as a career rather than a calling?

Harcharan adds to the challenges that the organization faces in continuing but again views the work the organization does as a calling. He states,

“(The) fact that we are needed….cannot allow ourselves to let them (communities) down… (But) money does not stop us. (There is) interference from government. (They) ask funders not to support us. Even government will not stop us. We owe business companies money. We owe plenty of people money. (But we) will not stop though even with risks.” (Interview – 2002)

ACCORD’s ideas about sustainability are far removed from the world that IBR resides in. The vision is clearly and comprehensively structured. In fact, when judged closely sustainability plans seem to be an obsession at the organization having taken over the organization’s raison d’être almost entirely. Gounden explains the organization as such,

“Unfortunately funding agencies are not in the business of sustaining their levels of funding consistently over a period of time. Their priorities are determined by the swing in their public opinion….It is fair to say that they get reprioritized and levels of funding are allocated accordingly. This reality forced us to think about strategies that would ensure that we ride the wave of public opinion but that we
prepare to develop realistic, achievable strategies for long-term sustainability. (Gounden 2001:16)

There are a few salient “realistic, achievable strategies” that need to be elucidated. Firstly, Gounden explains the move to profit-generation as opposed to donor-funding. He explains that,

“...ACCORD has adopted the approach of utilizing the opportunity of “unencumbered capital” (money that is not encumbered like debt or equity) to unlock the potential to generate our own income, by exploiting our strategic position as a conflict management organization operating in Africa. What this means is that ACCORD will explore opportunities to generate profit to sustain its activities. This approach is in contrast to securing project based funding and utilizing every last cent according to a pre-determined budget and then accounting for that money through audited statements, a donor requirement that should not be seen in a negative light, since it is based on strict public policy considerations of donor nations. We decided to work within this constraint and utilize this type of funding for ongoing programmatic funding.” (Gounden 2001:15/16)

The second strategy involves building an endowment. Again Gounden explains,

“We then embarked on a strategy to acquire an endowment that would have investment potential to ensure capital growth for long term sustainability. This strategy had two approaches. The one was to secure a large single donor endowment, which has been achieved with a grant from USAID. The other was to embark on a fund-raising campaign backed by key decision and opinion makers that would allow us to capitalize the endowment to a pre-determined level. The level of the endowment was arrived at after careful study undertaken by the consulting firm of Deloitte and Touche. The fundraising campaign has been launched by President Mbeki with support from Presidents Chissano and
Obasanjo as well as Prime Minister Blair and former Presidents Mandela and Masire. The monies raised will be invested in two ways. A large portion of the money is already being invested in low risk investments by an international investment firm and further funds will also be invested in this way. (OD Debate 2001:15/16)

Staff member X relates some of the real challenges with the very well-sounding and concrete endowment idea. Staff member X explains thus,

“Endowment is but an endowment. Yes, USAID did give ACCORD $4, 5 million a few years ago but that is just a pledge – not giving you hard cash. USAID invested it in stocks in ACCORD’s name. We were supposed to go to Anglo American etc. to ask for money. Interest on that added to other money (as) assurity to get contracts etc…In six years he (Vasu) had to match the USAID’s money of $4,5 million and he hasn’t as yet. These are some of the challenges. Now, downsizing, leasing out office space – if plan is in place then why are we doing this. We should be expanding if nothing else… Restructure (proposed plan now) – but where is interest? Invested in IT companies in US but IT companies took a dive and no interest.” (Interview – 16/05/03)

The grand idea of the endowment Gounden explains in Reddy (2001:24) is to “ensure that the core functions of ACCORD will continue even if donor funding becomes irregular. It will also increase the “flexibility of the organization to respond to crises”, because there will be money in reserve for this purpose, he adds.” Sachane in Reddy (2001:24) also states that “being self-sustainable will make it possible for ACCORD to go into partnerships with other organizations, funders, businesses etc. on an equal basis for the undertaking of projects, whereas they remain accountable to funders at present.”

If as suggested by the ACCORD employee that the endowment plan is not working, does this suggest that the organization is heading for near crisis or simply that the process is taking longer than envisaged?
The second strategy involves a project that was supposed to have come to fruition in June 2002 but which has not taken off as yet. Gounden (2001:15/16) relates the strategy:

“A second strategy will be to acquire a capital asset that will reside within the portfolio of investments if ACCORD with appreciable returns. In this context the construction of the ACCORD Peace Center in Durban, with conference facilities, has been deemed to be the best strategy to meet ACCORD’s programmatic goals and realize a decent return on the capital investment.”

“The centre is envisaged to generate funds by being a “retreat-style conference, training and research facility that will provide a peaceful setting and a comprehensive range of services and facilities to accommodate high level conflict interventions, continuous training and research, and a venue for policy makers, academics and practitioners to gather on a regular basis to discuss conflicts, formulate policy and evolve practical responses to conflicts in Africa” (USAID Final Report 2000)

Staff member X at ACCORD once again enlightens on the failing approach.

“(We got) approval from the Ministry of Defense which gave us the land gratis – came very quickly, Vasu pulled some strings. (Then there’s the) competition (for the) architecture. (The) question is (it) created an expectation that we’ll have it soon. Unfortunately cannot move. Peace Pledge is not going well. Something has to be done to get money kicking in. Some people (eg. State presidents) have made pledges but they will not give money.” (Interview – 16/05/03)

The R40million Peace Centre that was to be built with the donations of high profile people has yet to be delivered. Within the Peace Centre dream rests ACCORD’s dream for commercialization and sustainability but remains just that, a dream. To plan for the Peace Centre the Training Unit at ACCORD has also become the “backbone of the
organization from which the other programmes feed off” (Reddy 2001:33). Sachane, trainer Ogunsanya and researcher Ngubane relate thus,

“Training is moving to becoming fee-for-service driven. Sachane also explains that training will commit itself to aiding government efficiency and private sector training. The approach is needs-driven as always and it “is not a question of where the funds come from but who approaches is...the community must own their projects, he states. But trainers Ogunsanya and Langa said that concerned community members who do approach ACCORD for help would get charged some fees for services rendered.” (Reddy 2001:33)

Clearly this approach to charging fees for all services rendered is a highly controversial one. It indicates quite remarkably the change in ethos in the organization and the move from being NGO-based to consultancy-based.

Gounden still contends though,

“(This is) not merely a paper concept but has already been substantially achieved. The strategy and its implementation has not affected the day to day operations of ACCORD since its implementation is delegated to a separate coordinating unit within the organization. The strategy does not involve operations that compromise ACCORD’s values or principles. On the contrary, they will give ACCORD the independence necessary to enhance these values and principles.” (Gounden 2001:15/16)

On the contrary it is the values, principles and the day-to-day operations at ACCORD that have changed dramatically to be in keeping with the sustainability vision that the organization has planned.


5.5.1.3 Dependence on founding leader

According to Gounden his presence and input is not crucial to its survival. He argues, “ACCORD is institutionalized and it will survive as an institution” (Interview - 2002). Staff member X interviewed concurs with Gounden but is uncertain about the security of jobs for everyone. Staff member X explains that,

“(The) immediate future (is) hope mingled with fear. There are those who know for sure that their jobs are guaranteed viz. managers, at least in operations division. No one is indispensable (but) ACCORD has grown and is bigger than Vasu. We have managed to build an institution. Vasu built this from scratch and sacrificed a lot. There is no NGO – besides two – which is handled by founder.” (Interview – 16/05/03)

Harcharan is more uncertain about the fate of IBR without his contribution. He contends,

“(It is a) difficult question. No one is indispensable. There are other role players. Board of trustees (take over) the focus would shift.” (Interview – 2002)

It emerges that Harcharan will not be pleased with the prospect of the board of trustees taking over and the focus shifting. In that case, IBR as he knows it will probably cease to exist without his involvement.

5.5.1.4 Risks

There are many risks for IBR’s continuity and sustainability. The loss and over dependence on both founding leaders is definitely one. So too are their unclear ideas about the way forward for the organization. The acrimonious relationship with government in terms of ideology is yet another. And finally the inconsistency of funding due again to difference in ideological predispositions plagues the organization’s survival.

Gounden maintains that, “If we continued along the same lines (cannot on the same lines) then we would (face challenges to continuity and sustainability).” But staff member X is more pessimistic about the new approach and its promises. Staff member X explains,
“If you look at funded programmes we are running at a deficit. Interim measure is to reduce costs. Figures may have been manipulated (to show otherwise). Even if let go of two or three admin people still not make up for deficit. Office in Cape Town pay for one staff member and rent but what have they done?” Poor management and political decisions have been taken. (We have the) Cape Town office because Jakes Gerwel and Mandela are there but they are not doing anything... Actual sustainability is not there. We need money and programmes and looking for funds. Vision is there. In short term it is to keep ACCORD alive. To have a vision is one thing. To operationalize it is another. Vasu has no time to operationalize.” (Interview – 16/05/03)

5.5.2 Flexibility in Delivery

5.5.2.1 Organizational structure and hierarchy

ACCORD is highly bureaucratic and hierarchical in nature. It is explained in Reddy (2001:36) as follows,

“According to Gounden the goals of the organization were not compromised in the process of increased commercialization by ensuring a very clear demarcation of roles. For instance, he states that the commercial aspects – day to day running of finances – has been kept separate from the social and political aspects – included in programmes and activities. The layout of the ACCORD office in Mt. Edgecombe demonstrates this division in a tangible sense where the administration and finance division is located on one half of the office and the programmes and resource divisions are run from the other half of the office. The division of sections is complemented by a further division of labor into posts and positions within the organization to ensure efficient and effective delivery within the organization.

Each staff member is assigned to a position within a section, as generally the head of the section, the assistant to the Director, and then as heads and assistants to the head in each programme. The entire operation is controlled by the
management committee with the Executive Director at the head. The demarcation of roles into a system of hierarchy has been accompanied by a distinct protocol of interactions between management and staff. In the decision-making process each staff member is required to answer to and consult with their superior first, who in turns consults with their superior.

There are also only particular communication channels that are allowed within the organization. For instance if a staff member wishes to talk with the Executive Director, the Assistant to the Executive Director needs to be approached first and a meeting set up.” (USAID Semi Annual Report 1997-1998)

Gounden believes that all this bureaucracy is fundamental to the organization. He explains,

“We are not constrained by bureaucracy and hierarchy. Only constraint is funding. Bureaucracy is a necessary evil. When you are small it is ok. (But now) cannot avoid it. Need systems in place. We try to ensure that it does not impinge on work but sometimes it is unavoidable. I am not a bureaucrat. (Interview - 2002)

At IBR the situation is once again starkly different. With just two people working from the office generally Harcharan explains,

“Internally (there is) no real bureaucracy. We believe in what we are doing. (There is) consensus. (We can) summon someone without funding constraints. (It does) prevent publishing of a book for example (so there) may be delays (in) publishing.” (Interview - 2002)

5.5.2.2. Method of delivery and response in crisis
Harcharan believes firmly that IBR is highly flexible in its method of delivery and responds very well in a time of crisis. He argues that,
“We would embark on anything that makes delivery possible. Illegal or legal example marching without permission.” (Interview - 2002)

He also states that if an eviction is taking place IBR can get people out there to stop it in matter of minutes. Former IBR volunteer also attests the swiftness of IBR’s response in crisis situations stating that the organization once got 3000 people together in 24 hours for a Women’ Day march (Informal Interview – 2003).

Harcharan also claims that IBR meets its targets. He contends,

“Every project that we undertake is done. Takes long time but gets done. 99% of the time.” (Interview - 2002)

Gounden also claims that ACCORD is flexible. He states, “Ja, we have to be because of the nature of what we are doing.” But once again staff member X disagrees. Staff member X states,

“There is no flexibility in delivery. We all sit and say – organize programmes for the year. Finance then drafts the budgets – set for the year. If in June we need to do something else – “No money. Sorry”. Business mind (says) “No, we can’t do it”. But NGO side says “We must do it”. (It’s a) serious problem (we’re) facing – no flexibility. Zimbabwe is in crisis situation but no funding.” (Interview - 16/05/03)

Staff member X also feels that the organization is lacking in its response in times of crisis. Staff member X explains that,

Rapid response mechanism (was) to intervene in the Swaziland situation but maybe Karthi (Gounden – former Deputy Director) didn’t believe in it. The money that USAID had given to ACCORD has apparently been used on various initiatives – so there’s no money for Rapid Response.” (Interview – 16/05/03)
Gounden feels that targets set by the organization are always met.

“We have a very stringent evaluation system. Each staff member has a key responsibility area and they are measured against that and set at beginning of the year and you have to work against that.” (Interview – 2002)

However, this evaluation system is also cause for concern. As the staff member argues the appraisal system is done using business indicators and techniques which is highly inconsistent with the way in which an NGO functions.

5.6 Indicator 5: Accountability to target groups
5.6.1 Identifying target groups
IBR’s target groups almost exclusively include the poor, marginalized and disenfranchised. Besides from the books that they publish which tell stories about the lives of the poor to be read by academics and others of the middle-class, they work in poor areas and for poor people. ACCORD has no real target group these days. Whereas at inception they concentrated their efforts on student conflicts now they flitter in and between conflict zones and situations going wherever they are asked to intervene and offer their services.

5.6.2 Who are they accountable to?
It is evident from discussions that the target group is not necessarily the one the NGOs are accountable to. In true Section 21 company style Gounden and Harcharan readily conclude that they are accountable to their board of trustees (Interviews – 2002). It is only Harcharan however who considers that IBR is accountable also to the “people we serve”, their target group.

Staff member X at ACCORD also reveals that ACCORD is somewhat accountable to their business associates having a more than intimate relationship with them. Staff member X explains that,
“(We) identified areas in Nigeria worth investing in (and) facilitated meetings between political parties and Engen. NGOs shouldn’t be doing these things. (We) fly former head of state (of Nigeria) from Nigeria to meet ACCORD execs in ACCORD’s office. Now (we are) in Angola as well. Vasu (was) there recently doing something. In glorified language it is political risk analysis. Only one other NGO in Africa doing that, Institute for Security Studies (ISS). We are only doing it for Engen. That is information that makes decisions.” (Interview – 13/05/03)

This relationship is not only peculiar but also indicative of the groups ACCORD is really accountable to.

Harcharan on the other hand is not keen to be associated with big business and certainly not in the cozy manner ACCORD is. He states, “No involvement (with big business). (Only) got money for the monument (and) Price Waterhouse Coopers did business skills training.” A legal volunteer at IBR also argues that “(We) don’t just relate to media and the government and funders. (We’re) controversial (and) always on (the) radio station” (Interview – 2002). It’s about struggling together with communities that we work with that’s important for him.

5.6.3 Embedded in local society

Gounden feels that it is not essential for ACCORD to be embedded in local society because of their difference in focus from other NGOs. He explains his position as follows,

“Our focus is different. We are working in local communities in other parts of Africa. Not in South Africa. Ministry of health in Kwa-Zulu-Natal – conflict management systems within that. We will work with women’s and youth groups. Civil society groups in Burundi etc. a lot of what we do comes by request – communities, governments etc.”
“Depends on the focus on what they’re doing. If related to local communities then yes. If working with peacekeeping but only related to local communities – only for them it is important.” (Interview 2002)

Staff member X considers Gounden’s thinking on links with the grassroots as faulty and highly irregular. Staff member X argues thus,

“...Mistakes of previous years – (thinking that) civil society acts as buffer between state and people. When (it) comes to the crunch will (we) stand for the people? (No, we) will work for government. When it comes to the crunch for us to survive we have to be seen as working with government and supporting the ongoing initiatives for Vasu to be where he is.

How do we link senior level to bottom – there’s no link, no grassroots. We don’t need trust from civil society if civil society can clearly see that ACCORD is a mover. But in what direction and for whose benefit? (Those are the) questions. (There is a) link and trust with political officials. Go to Angola (for instance) don’t have to see what we’re doing – no trust between civil society and government. Government of Angola must trust us to let us in. Let’s maintain trust with government then let’s engage with civil society.” (Interview – 13/05/03)

Staff member X’s view of ACCORD’s link with communities is really crystallized by the following comments:

“If community in Kwa-Mashu has a conflict (we) will not go. Who cares about them! But, if Engen or Anglo-American gives us $200 000 we’ll do it.”

“ACCORD has not been involved in grassroots for a long time. In 1992 (we) used to. (It) don’t bring you any money and don’t change (the) grand idea. But at least it’s what we’re supposed to be doing – changing people’s lives. We need to remind ourselves of that and Vasu. (If) schools (want) conflict management
training (the) first question (we ask them is), “What money can you put on the table?” If not (any money) then (we say) Sorry, we’re busy!”

There have been activities which have changed (things) and contributions (made). (In) Burundi two rebel groups signed an agreement. In Mocambique’s public sector, restructuring of public service – change. But that is what we are focusing on. (If a) funny community in Mozambique (asks for our assistance we) won’t (go in and help).” (Interview – 13/05/03)

However, the official ACCORD comment was that fees have not been added to services that were previously given to communities for free (Appendix 3). Judging from the statements above, this is an outrageous lie masked by a certain understanding of the shortcomings of the organization in this area.

Of course, Harcharan is always blasé about IBR’s involvement in communities and their link with them. He states, “IBR hasn’t lessened community participation. In fact, it has heightened. (We are now) freer to associate with (other organizations, communities etc.)” (Appendix 3). Presumably Harcharan means that the organization is freer to associate with these organizations in a post-Apartheid era. However, he does not reconcile this new freedom with the willingness to incite lawlessness in the communities.

Gounden does admit to some of the impediments to involving communities in real participatory action. He lists time frames – have turned down funding on this basis, staff numbers, factors within the communities themselves – operating within conflict zones as possible problem areas to participatory action. However, there is more a sense that there is no genuine commitment to even work with these communities that staggers participation (Interview – 2002).

Harcharan also reports of difficulties in genuine participatory involvement in communities. He cites pressures to increase organization’s financial sustainability, staff numbers, factors within communities themselves, law (“being beaten up”), relationship
with other NGOs and CBOs working within communities (“3/4 meetings in Mount Moriah Project was about sorting out differences”) (Appendix 3).

5.6.4 Legitimacy and transparency

Gounden is quick to point out that ACCORD has earned local, national and international legitimacy with no further elaboration on this point. Presumably Gounden thinks that the expansion in budget size is testament to this (Interview – 2002). But staff member X feels that there is more to legitimacy than just recognition. It is also about respect which ACCORD lacks from civil society actors. Staff member X explains thus,

“Money, prestige and status (is the) bottom line. (It’s about) going anywhere and being recognized. A number of governments recognize and respect ACCORD. Non-state actors recognize us but don’t respect us. Vasu was on a public platform in Ethiopia a few years ago. He stood in Addis Ababa and he said he will defend the government and GEAR. That defense in a forum of non-state actors from an NGO – it was like saying he supported Structural Adjustment Programmes (SAPs) when everyone knows the devastation brought on by SAPs in Africa. ACCORD lost respect as a result of that. He (Gounden) thinks of it as (taking the) road less traveled. At the Durban conference he also said to anti-globalization and anti-NEPAD people, “Where’s the alternative”? ” (Interview – 13/05/03)

Harcharan also believes that his organization has gained respect and recognition internationally. He states,

“Absolutely, Partnership in Tunisia, affiliates to Jubilee 2000, organizations all around the world that subscribe to what we’re doing. We campaigned against privatization of water eg. The Paris protest Brazil – Jubilee 2000 – writing off third world debt.” (Interview – 2002)

Locally Harcharan believes that communities rely on IBR’s assistance which proves their legitimacy within them.
Transparency is also an issue that Gounden is keen to comment on. He boldly states, “Our modus operandi requires us to be transparent. We are third party” (Interview – 2002). To this end he relates that ACCORD will not and does not take sides with big businesses for example in a conflict. He elaborates thus,

“(We have) only one partnership (with big business). We are going to expand on partnerships. Other will be continued. There will be a contract – engagement with private sector. A number of problems (large corporations are part of the problem). We will engage with them as potential contributors to the situation or resources to help solve the conflict.

We may do risk analysis as a fee generation activity but still it will not conflict with our work on a macro-level. But if company is in conflict with community we will be clear, we are third party neutral. We will concentrate on process and substance. The day we take sides is the deaf knell of the organization. We won’t discount work with multinationals in the future and it will be done within strict parameters and guidelines. (Interview – 2002)

Staff member X concurs with Gounden on a case involving big multinational Engen case and the small community of Wentworth in the south of Durban. Staff member X reveals that,

“ACCORD was approached by Engen and understanding was that ACCORD was to mediate. When ACCORD discovered specific issues – a feeling internally – Engen wanted them to advise on a strategy to approach. Can offer Engen best trainers to train your people on conflict management and that’s what they did.” (Interview – 13/05/03)

Gounden admits that ACCORD simply declared a conflict of interest because they are funded by Engen for the Africa Peace Award. But was this as simple as it sounds? A
number of questions arise from this case. Does declaring a conflict of interest in a situation that requires NGO involvement really an ethical position to take? Furthermore is there a tacit agreement and embedded ideology that ACCORD will be “Master’s voice” by not intervening? Is the bottom line money? And is there an implicit message that they will not bite the hand that feeds them?

IBR’s involvement via the CCG was starkly contrasted to this approach. As related in Ashwin Desai’s book “We are the Poors” (2002) they were involved in assisting the community of Wentworth with wage negotiations. ED of IBR Fathima Meer also gave stirring and provocative addresses at community meetings criticizing Engen’s and the government’s anti-poor policies. Certainly then IBR was not willing to stand on the sidelines of a potential catastrophe as was ACCORD.

IBR argues that it is “guarded against accepting money” and “very selective (Interview – 2002). However, Harcharan was unable to explain accepting money from the government that they are highly critical of. Perhaps this suggests that IBR, despite their impudence on certain issues is still willing to cooperate when necessary. This is a more promising, open feature of the organization.

ACCORD (Appendix 3) declares that it is also very circumspect when accepting money. They state that,

“As a conflict management organization, working extensively on the Continent of Africa to resolve disputes and create a culture of peace, ACCORD will not in any way condone, accept or endorse funds gained as a result of these conflicts. In the same vein, in order to maintain our impartiality and role as third party intervener, ACCORD would not accept any funds from any parties to a conflict, irrespective of what the funds are to be used for.”
Once again this is not entirely true as Staff member X explains.

“When we were in the DRC (talks at Sun City) to mediate there were a number of blunders that he (former President of Botswana Sir Huelenge Masire who was heading the talks) made which we knew that he committed. (Our) credibility was at risk. Support calls to change rules in mediation etc. in terms of the classical role (of NGOs) to support those who made the calls and we had a duty to say based on our understanding, this is the way to go. We said if we support these guys we will be finished....Only NGO who can help – duty bound to listen to calls. Reality kicked in – we will be in shit! We will be in shit with governments in Botswana, South Africa and the DRC. We will not only go against governments but also DFID and the Swiss. Morally acceptable way forward was to stick to the plan but (we) couldn’t do it. But we still engaged with this guy. We could have changed things more than we did.” (Interview – 13/05/03 and 16/05/03)

5.7. Indicator 6: Volunteer Mobilization

There is a great disparity between the number and contribution of volunteers between the two NGOs investigated.

5.7.1 Number of volunteers, why volunteer and where do they come from

The number of volunteers at the IBR far exceeds the number of paid staff. In fact, Harcharan states that for every one paid staff member there are 20 volunteers. There are 10 permanent volunteers including the Executive Director, Professor Fathima Meer. The other nine include an assortment of professionals from the academic and legal fields and also unionists. “Depending on the issue we can get 30 volunteers”, Harcharan claims. There are also 20 volunteers at the CCG’s resident organizations. (Interview 2002) Seedat also contends that she is witness to the IBR rustling up about 3000 people for a Women’s Day march through the streets of Durban when occasion arose. Harcharan argues that these people volunteer at the IBR because of their “political leanings (and) religious attitudes” (Interview – 2002).
The number is considerably different at ACCORD. Gounden states that volunteers comprise a mere five percent of staff capacity. Whereas there were no volunteers in 1992 at the inception of the organization Gounden now boasts however that in 2002 there were eight. He also argues that the reason volunteers come to ACCORD is to gain “exposure and (because of the) experience we offer” (Interview - 2002).

A brief glance at the staff compliment reveals that many of the volunteers are from Northern donor countries that support ACCORD (ACCORD document). For example in 1999 half of the volunteers came from the US, Sweden, Norway and Canada. In that same year four were from South Africa and just one from another country in Africa. At the time I interned at ACCORD in July 2000 two interns were US citizens, one from Canada and another from Sweden. Besides myself, there was one other South African intern with no intern representation from the rest of Africa. Most of volunteers funded by the organization are from SA and the other countries in Africa which suggests an expense to the organization and a possible demotivating factor in getting African interns.

The number of volunteers is a significant marker of the ethos of the organization. As IBR exhibits, a small but dedicated group of long-term volunteers can symbolize faith in the organization’s ability and vision. It is also an indicator of the type of people that the organization attracts that is those with a passion and commitment to address socio-political issues of the time. In that same vein, ACCORD’s lack of commitment to taking on African volunteers speaks rather poorly of their willingness to build capacity in conflict-resolution matters on the continent. However, it may also reflect on financial constraints in taking on interns that cannot afford to pay their own way. Their rather pragmatic approach to taking on volunteers from donor-countries reveals their business sense at work in every sphere of their work.

5.7.2 Contribution of volunteers
At IBR volunteers input is “immense” and they contribute their “time, expertise (and) money”, Harcharan explains (Interview – 2002). He adds, “We have a body of volunteers who can get onto a scene and prevent it (evictions) from happening. Just two weeks ago
women chased security guards out of the area (Chatsworth/Bayview area).” It is clear that IBR’s volunteers will go to any lengths, possibly engaging in illegal activity and facing possible arrests, to meet what they see as the function of the organization. However, Harcharan states, “We will deliver irrespective of volunteers” (Interview 2002). Presumably Harcharan means that this excludes paid staff and ten permanent volunteers. If not it is inconceivable, with the tasks that IBR sets itself, that it will accomplish much with only paid staff.

Given the numbers of volunteers that ACCORD takes on and the short period that they intern at the organization it is not surprising when Gounden states that their contribution is “minimal” (Interview - 2002). He maintains that the small number do manage to deliver “significantly on hands-on projects” (Interview – 2002) though. Volunteers do not (however) affect delivery. The interns that were at ACCORD whilst I interned often complained of being bored and not being tasked with anything significant to do. Two interns did manage to get their articles published in ACCORD publications and one complained bitterly of all polemic being edited out of the final copy.

Once again, the contribution of volunteers is a signifier of the ethos and indeed spirit of the organization. An NGO that does not place very high value on the humanitarianism is lacking in its capacity to deliver to its fullest and most holistic potential. As IBR demonstrated volunteers do not have to cost the organization but can benefit them. It is obvious that ACCORD views volunteers as a cost to the organization and if not that then a marketing tool to attract further funding from rich Northern donors.
6.1 Summary

“I have the feeling that some NGOs use the argument of suffering to justify their existence and increase their market share. To keep going becomes their main reason for being and their real “beneficiaries” their nomenklatura. Many NGOs are only associations by virtue of their fiscal statutes and the fact that they don’t give out dividends. But their marketing practices distance them from their true objectives and make them real businesses.”

*Sylvie Brunel, ex-President of Action Contre La Faim*

In an interview with journalist Jean-Dominique Merchet published in March last year in Libération, Sylvie Brunel disclosed the reasons for her resignation as president of Action Contre la Faim, a French-based NGO. Merchet reported that, “After 17 years in the field of humanitarian aid, Sylvie Brunel has thrown in the towel; disgusted.”

Her disgust at the betrayal of her NGO in seeking profit at the expense of its mission has very deep and logical roots. Presumably, it comes from her ideas and feelings about the role and nature of NGOs and is validated most generally from her practical experience having spent many years in the field.

Gerald Kraak (2001:129) argues that the idea of NGOs rests on a “set of untested myths and received wisdom with a life of their own”. Indeed it is significant that every day NGO workers like Brunel put the myths and received wisdom to test in the field. Some find that there is an overwhelming or at least some correlation with reality. Others like Brunel find that they fail the test dismally. This study also tested the ideas embodied in this impassioned rhetoric in the South African context. It found, like Brunel, that one of the NGO’s studied failed the test because it was following a trajectory that respected profit over mission. It also found that another NGO passed the test with flying colors.
At the outset of the study, two central objectives were set in order to perform the overall test. The objectives were as follows:

1. To describe the working and nature of commercialized NGOs in contrast to their non-commercialized counterparts in a post-Apartheid South Africa, and
2. To measure and compare the efficiency/effectiveness between commercialized NGOs and their non-commercialized counterparts.

Two case studies were used for this purpose namely ACCORD and IBR. They were chosen because of accessibility, their ostensible contrasts – ACCORD being highly commercialized and IBR non-commercialized – and because they were both registered as non-profit, educational trusts. It was clear that in measuring and comparing the efficiency/effectiveness of the NGOs that multiple indicators - tying in with the values/principles and characteristics that NGOs ought to embody - would be most valuable and useful. Using these indicators as a guide to discussion meant that the study was bound to be idealistic about the role and value of NGOs to society. However, as the findings carve out a realistic scenario at both NGOs there was always a guard against naïve idealism. Moreover, this study was meant to be deeply reflective, critical as well as religiously objective. The attempt has never been to vilify either NGO but to understand the dynamics of NGOs in changing and often troubled times. Nevertheless, the findings did provide uncomfortable, rather sinister details of the workings of commercialized NGOs leading to the conclusion that they had betrayed their mission.
6.2. Conclusions
This sub-section details the specific conclusions relating to the indicators as well as more general conclusions.

6.2.1. Indicators

6.2.1.1. Values-base
Perhaps the most significant characteristic feature of NGOs is their values-based programmes and delivery. The organization must therefore prove that it is guided by a mission/vision, goals and a set of values.

The evidence shows that ACCORD has lost a sense of its place in society. Although they purport to be a neutral third party organization, for financial reasons they have opted to align themselves with the powerful. Their vision and goals have changed to be in line with gaining profit and meeting with the expectations of the powerful. This is exceptionally unethical and dangerous position to take. As an NGO it places their legitimacy in question and further debilitates the trust they garner from the public and in particular their target groups.

IBR has maintained its struggle heritage and has always applied the faculty of their conscience to their programmes and delivery. Whilst their goals have changed somewhat to being more action-oriented rather than research-oriented they remain committed to their vision.

6.2.1.2. Impact and Effectiveness of Resources
For an NGO to be effective it is important for it to command a substantial amount of resources. However, the way in which resources are used by the organization is far more fundamental to its effectiveness.

The case of ACCORD shows that although the organization has a wealth of resources at its disposal it is not cost-effective and there is almost no impact on grassroots. A great percentage of monies generated go to the paying of salaries and administration costs and
very little goes to the actual projects. The indication is an obsession with generating profit to the probable detriment of target groups.

IBR’s resources are in stark contrast to that of ACCORD’s yet they are able to make a huge impact on the grassroots and in particular on the lives of the poor. Their use of resources is very simple and frugal which implies a non-business like style. Nevertheless it is commitment to programmes and to delivery that is of utmost importance to them.

6.2.1.3. Collaboration with other stakeholders

It is essential for NGOs to collaborate with other NGOs and CBOs as well as with other organs of civil society. Collaboration reduces duplication of work and increases output and performance.

ACCORD does not collaborate with other NGOs and CBOs and rather sees them as the competition. The organization’s only real partners are ones from the private sector where there are mutually enhancing but dubious relationships taking place. ACCORD spends a great deal of time on political risk analysis and their intimate relationship with Engen for example, is inconsistent with their mission and moreover encroaches on time which ought to be used on programmes and projects.

IBR collaborates very effectively on joint programmes for various causes at various times. The benefits of collaboration are tied in with meeting of targets although they do admit encountering minor problems in collaboration.

6.2.1.4. Continuity and Sustainability of Intervention and Flexibility in Delivery

For an NGO to be really useful to society it firstly needs to be sustainable. They also need to be flexible in their methods of delivery in order to assist in areas of need when emergencies arise.

ACCORD clearly plans to continue and has a sustainability plan in place. Unfortunately the plan has taken over the organization’s real mission. The organization has become so
obsessed with staying alive and growing into a big continental player that it has sidelined its mission and ignored its values. ACCORD is completely bureaucratic and is not flexible in delivery.

IBR has no sustainability plan in place. The organization lacks the management savvy and resources to put one in place. It survives rather on passion and commitment of founding leaders and volunteers. Its future remains uncertain and it relies too heavily on its founding leaders. The organization is, however, very flexible in its method of delivery.

6.2.1.5. Accountability to Target Groups

NGOs need to maintain accountability to target groups and in particular, the poor and marginalized to be legitimate and respected.

ACCORD has no accountability to the poor and marginalized, no grassroots contact, and is not respected at grassroots level or amongst its NGO peers. It is instead accountable to big business and government and accepts recognition from these sectors. Their lack of commitment to real democracy, transparency and democracy is highly problematic.

IBR remains committed to the poor and marginalized and perseveres in challenging the status quo. They have gained much legitimacy and respect amongst target groups. However, their often militant attitude can be detrimental for their own development and in improving relations with government.

6.2.1.6. Volunteer Mobilization

NGOs generally rely very heavily on the contribution of volunteers as the organizations are associated with the humanitarian spirit of giving and serving society.

In the case of ACCORD professional, paid staff is valued over volunteer contributions. Thus, volunteers appear at a minimum at the organization and where they do appear their contribution is always minimal. In fact, volunteers are mostly pooled from donor countries which suggest that ACCORD merely takes on volunteers as a marketing tool.
IBR’s reliance on volunteers is substantial. Indeed, the organization survives and thrives off volunteer commitment and dedication to what the organization deems worthy causes. The fact that the Executive director Fatima Meer gives off her services on a voluntary basis is testimony to the passion of the NGO. IBR volunteer base certainly proves dedication and commitment to their cause.

6.2.2 General
This study confirms suspicions and reports by other authors reviewed about the dangerous trajectory set by commercialized NGOs. Commercialized NGOs have in attempting to be more self-sufficient lost their core values, sidelined their mission and have changed their mindset. In essence as Hailey (2000:407) puts it, they have become contractors to the international system and consultants by another name. Commercialized NGOs are thus certainly not more efficient/effective than non-commercialized NGOs. Non-commercialized NGOs have a better chance of remaining relevant and imparting value and benefit to the society in which they operate.

6.3 Limitations
Three significant limitations are noted. Firstly, the competitive nature of NGO field made it difficult to elicit information from participants as there was fear expressed that there would be exposure of their organization to the competition. ACCORD in particular expressed this fear directly. Secondly, since only two NGOs were used, extreme caution needed to be employed when attempting to extrapolate to the macro scale. The study is thus aware of over-generalizing from the data retrieved. Finally, whilst there is literature available on NGOs there was a shortfall of literature on commercialization.

6.4 Significance
There is immense significance from a study of this nature. This study helps to place the role and contribution of NPOs in development, and democratizing efforts in proper perspective. Moreover, NGOs must be able to justify their existence and how they use
their resources to target groups and society at large as non-profits get special treatment by law and have a special function in society.

6.5 Recommendations

This study is merely exploratory. Further studies into the phenomenon need to be undertaken to track the changing nature of NGOs, post-Apartheid. It will also be useful to use more case studies to get a more general, holistic idea of the commercialization phenomenon. Further studies could also suggest tax reform to the system.
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IBR Pamphlets
APPENDIX 1: INTERVIEW QUESTIONS 1 _____________

These represent the first set of formal interviews with both ACCORD and IBR.

The African Centre for the Constructive Resolution of Disputes (ACCORD)
Executive Director: Vasu Gounden
1. What is the vision of ACCORD?
2. What are ACCORD’s general and specific goals?
3. Can you say that ACCORD is growing? If yes, in what way is it growing?
4. Do you think there is a business-like attitude projected at ACCORD?
5. If yes, how has this business-like attitude impacted on ACCORD throughout its history?
6. Is there a move away from reliance on donor-funding?
7. Is yes, how is this impacting on ACCORD?
8. Is there a danger in losing accountability to donors and the University of Durban-Westville (UDW)?
9. What are the positive and negative implications of being financially independent?
10. Will ACCORD ever lose its status as a NGO?
11. What role do interns/volunteers play in the organisation?
12. What are the fund-generating activities of ACCORD at present and for future?

Deputy Director: Jerome Sachane
1. What do you see as the vision of ACCORD?
2. What are ACCORD’s general and specific goals?
3. Have these goals changed since ACCORD’s inception?
4. In what way do you feel that the programmes fulfill the mission of ACCORD?
5. Is any programme more important than other programmes?
6. Do some get more funding than others?
7. What are the sources of funding?
8. Is there a move to self-sufficiency?
9. In what way can you say that the operation or attitude of ACCORD is more commercial/business-like?

Finance Director: Sunita Dukhi
1. Explain the financial set-up of ACCORD
2. What is the total budget for every year?
3. What are the sources of funding?
4. I heard that there is a move to become independent from the University of Durban-Westville (UDW). What are the implications of this move for ACCORD?
5. Does ACCORD generate a profit at present?
6. If no, is there a move to becoming a for-profit organisation?
7. If some of the budget is not used by the end of the year, does this money go to staff or back into ACCORD?
8. What are the expenses of ACCORD?
9. Do the budgets differ for each programme? Why/Why not?
10. Do some programmes generate an income for the organisation?
Programme Officers: Michael Langa, Sizwile Makhubu, Paul Nantulya, Senzwesihle Ngubane, Kemi Ogunsanya

1. How important do you think your programme is compared to other programmes?
2. Does your programme get a higher/lower budget compared to other programmes?
3. Who funds your programme?
4. What is the criterion for funding?
5. Does your programme generate any of its own funding through fee for service activities etc.?
6. If yes, is it a substantial amount?
7. Do you think ACCORD will move to generating all of its own funds?
8. If yes, what implications will this have for ACCORD?
9. What do you think are the general and specific goals of ACCORD?
10. What is the vision of ACCORD?

The Institute for Black Research (IBR)
Managing Director: Ramesh Harcharan

1. When was IBR established?
2. What were the initial goals?
3. Have the goals changed? How? When?
4. Is IBR growing? In what way?
5. Who is your target group?
6. Where do you get funding from? What are the problems with funding?
8. Do you run IBR like a business?
9. Do you consider IBR to be commercialized?
10. What is the organizational structure and operation of IBR like?
11. What is the vision and future of IBR?

IBR Volunteer: Heinrich Bomke

The interview with Bomke was informal, telephonic and relied on spontaneous exchange rather than formal interview questions.

1. Is the organization ideology-based?
2. What is the role and goals of IBR?
3. What is your idea of deepening democracy in the South African context?
APPENDIX 2: INTERVIEW QUESTIONS 2

These represent the second set of interviews with ACCORD and IBR. Both Vasu Gounden of ACCORD and Ramesh Harcharan of IBR were asked these questions. All questions are based on and relate to five of the six efficiency indicators used in the study.

A. Values-based driven programmes and delivery
1. What is your organization’s mission statement?
2. Is your organization’s mission and values ideology based? Explain.
3. What are your organization’s general and operative goals and have they changed in the past few years?
4. Do you think that your organization responds to an on-going need? Explain.
5. What programmes are you engaged in?
6. What values drive these programmes?
7. Is your organization able to learn from past experience and think critically about itself? Explain and give relevant examples.
8. Would you characterize your organization as an (please tick all that apply):
   NGO   
   CBO   
   Trust  
   Foundation
   Network  
   Section 21/22 company
   Other (please describe)  

B. Collaboration with other stakeholders
1. Does your organization engage in any joint programmes/projects with any NGOs and CBOs? Expand on type of organization and project engaged in.
2. Is there any other strategic partnership or joint venture with government, big business, prominent individuals or any other civil society organization? Expand on all projects and engagements involved in.
3. What benefits has the organization derived from these partnerships?
4. What problems have you experienced with co-ordination and integration with other organizations?

C. Continuity and Sustainability of Intervention and flexibility in delivery
1. Does your organization have a sustainability plan in place?
2. What challenges to continuity and sustainability does your organization face or envisage in the future?
3. Do you believe that your organization will be able to survive and thrive without your personal involvement?
4. What factors impact negatively on your organization’s ability to respond to a crisis both within the organization and in the target group?
5. Would you say that your organization is flexible in its method of delivery?
6. Does your organization meet all targets?
D. Accountability to target groups
1. Who is your organization accountable to?
2. Do you believe that your organization has local/national/international legitimacy? Explain.
3. Is your organization’s work embedded in local society? Why/Why not?
4. Do you believe your organization is accountable and transparent in its dealings with target groups especially local and marginalized communities? Explain.
5. Do you believe that it is important for an NGO to have strong links and ties to local communities?
6. How do you locate areas of need for your organization’s intervention?
7. Do you think your organization requires more or less community/local participation than 11 years ago (1992)?
8. What are the factors that reduce your organization’s ability to operate in a more participatory manner? (tick all that apply)
   - Pressures to increase your organization’s financial sustainability? ______
   - Donor requirements (eg. reporting and financial procedures, time frames etc.) __
   - Government requirements ______
   - Staff numbers ______
   - Staff skills, attitudes and training ______
   - Time pressures to deliver ______
   - Factors within communities themselves ______
   - Relationship with other NGOs and CBOs working within communities ______
   - Other (please describe) ______

E. Volunteer Mobilization
1. What is the contribution of volunteers to the organization?
2. What motivations do volunteers offer for contributing to your organization?
3. Has the number of volunteers to the organization increased or decreased since 1992?
4. What is the ratio of volunteers to staff at your organization?
5. Does the level of volunteer mobilization from within and outside the organization relate to the capacity to deal with programmes and does it affect delivery?
APPENDIX 3: INTERVIEW QUESTIONNAIRE

Smith’s (2001) survey questionnaire was used to elicit information on the amount and use of financial resources at ACCORD and IBR to effect change. These questions relate to one of the six efficiency indicators.

A. Impact and Effectiveness of Resources
1. Has the organization’s budget increased or decreased over the past few years?
   \[ \text{Increased} \quad \text{Decreased} \]

2. What was your total operating budget for each year from 1992 – date? (please tick all applicable blocks)

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3. Estimate the percentage difference between administration costs and programme costs when given a grant and funding for specific projects on a contract basis:

<table>
<thead>
<tr>
<th></th>
<th>Programme Costs (%)</th>
<th>Administration Costs (%)</th>
<th>TOTAL COST</th>
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</thead>
<tbody>
<tr>
<td>Grant</td>
<td>100%</td>
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<tr>
<td>Project</td>
<td>100%</td>
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4. Are staff salaries drawn from funding for projects and/or grant? Explain.

________________________________________________________________________
________________________________________________________________________
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5. Are staff salaries market-related? Explain.

________________________________________________________________________
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6. What are the criterion used to determine contribution of staff to the organization’s mission and programmes?
7. Estimate the percentage distribution of salaries from the highest ranking position to the lowest ranking position in the organization (use the following indicators if they apply to your organization and add on others that apply):

<table>
<thead>
<tr>
<th>Position</th>
<th>Percentage distribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
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<tr>
<td>Deputy Director</td>
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<tr>
<td>Programme Director (eg. Training, Research, Finance)</td>
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<tr>
<td>Programme Assistant</td>
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<tr>
<td>Receptionist</td>
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<tr>
<td>TOTAL SALARY (100%)</td>
<td></td>
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</tbody>
</table>

8. Are there any incentives for staff to remain loyal to the organization? (please tick and explain all that apply):
   - **Year-End Bonuses**
   - **13th cheque**
   - **Performance-related bonuses**
   - **Shares in company investments**
   - **Other (please explain)**

9. How are yearly budget surpluses or profits utilized by the organization?

   ____________________________________________
   ____________________________________________

10. Which of the following are sources of funding for your organization (please tick all that apply):
    - **Foreign Donors:**
      - Bilateral (eg. DFID, USAID, SIDA) ______
      - Multilateral (eg. EU, UNDP) ______
      - Private agencies (eg. Oxfam, Christian Aid) ______
    - **South African Government:**
      - Government departments ______
      - TNDT/NDA ______
      - Other (please describe) ______
    - **South African companies** ______
11. Which of the above is your organization’s largest source of funding? (please give a percentage estimation of the proportion of total income derived from this source)

Largest funding source % contribution

12. Are there any sources of funding that the organization forbids? Explain.

________________________________________________________________________
________________________________________________________________________

13. For which of the following reasons are you funded from external sources? (please tick all applicable)
Projects (on contract basis) 
Grants (for operational costs and projects)
Endowment fund
Other (please describe) ____________________________________________________

14. Has the level of international donor funding to your organization since 1992 (please tick most appropriate option)
Decreased steadily: 
Increased steadily:
Remained roughly constant over the whole period:
Remained constant initially but declined in the last few years:
Declined initially but increased in the last few years:
Other (please describe any other trend):

15. If the level of international donor funding to your organization has increased or decreased in the last five years, give a percentage estimation of how much or how little it has changed by:

Level of international donor funding has increased by approximately % since 1992
Level of international donor funding has decreased by approximately % since 1992

16. Describe any other changes in your organization’s relationship with international donors since 1992 (eg. Change in donor requirements, changes in donor priorities etc.)

________________________________________________________________________
________________________________________________________________________

17. Has the level of South African government funding to your organization since 1992
(please tick most appropriate option):
Decreased steadily: _______
Increased steadily: _______
Remained roughly constant over the whole period: _______
Remained constant initially but declined in the last few years: _______
Declined initially but increased in the last few years: _______
Other (please describe any other trend): ______________________________

18. Explain changes in your organization’s relationship to the South African government since 1992 that may have attributed to an increase or decrease in funding from them.
________________________________________________________________________
________________________________________________________________________

19. Has your organization adopted any of the following measures to become more financially self-sustaining? (please tick all that apply)
   Contracting to the government _______
   Contracting to private sector companies _______
   Contracting to other NGOs _______
   Consulting _______
   Selling other services (eg. Training) _______
   Selling products (eg. Educational materials) _______
   Started a business (eg. Conference centre, providing accommodation) _______
   Other (please describe) ________________________________________________

20. What proportion of your organization’s total income is self-generated? (please give a percentage estimate):
   Approximately _____% is self-generated

21. Have you recently introduced charges for services you previously provided to communities for free?
   Yes _______  No _______

22. If yes, please state which services you charge for?
________________________________________________________________________
________________________________________________________________________

23. If yes to question 22, have less or more communities requested involvement from your organization? Explain.
________________________________________________________________________

24. Do you feel that in terms of delivery of programmes, the lion’s share of funding goes to target groups or to the paying of administration costs and salaries?
________________________________________________________________________

25. If your organization is becoming more self-sustaining elaborate on reasons why it has opted for this method of funding.

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26. Has your organization undergone a shift away from project-based work in recent years?
   Yes _______ No _______

27. Has there been a shift towards shorter term or longer-term projects or programmes in your organization’s work since 1992?
   Shift towards shorter-term projects  Yes _______ No _______
   Shift towards longer-term projects   Yes _______ No _______

28. Explain the shift to either shorter-term or longer term projects

29. Does your organization use any of the following management techniques? (please tick all that apply)
   Strategic Planning and processes _______
   Logical Framework Analysis _______
   ZOPP _______
   External Monitoring and Evaluation _______
   Internal Monitoring and Evaluation _______
   Community-based monitoring and evaluation _______
   Participatory Rural Appraisal _______

30. Is the use of any of these techniques a requirement of donors?
   Yes _______ No _______

31. If yes, please state which techniques:

32. If no, please state what planning, monitoring and evaluation processes your organization has in place.

33. Do you believe that the use of any of these techniques (in Question 25 and 28) improves the efficiency and impact of your organization? Explain.