
The Civil Society Sector in the Developing World

Udaya Wagle

Email: urwagle@erols.com

Abstract

The civil society sector plays an important role in democracy for industrial nations and developing countries alike. This article examines the role of civil society in the developing world and suggests how non-government organizations can sustain themselves in the future while serving societies and democracy better.

Introduction

Building social capital is important in sustaining development. Social capital in this respect is an aggregate form of social institutions and relationships. As the capacity of social organizations increases, it enhances the aggregate state of social capital. Civil society is a major form of social capital that includes the whole range of private, voluntary, not-for-profit, community and self-help organizations, and formal or informal groups in existence with a member or people-serving motive. CIVICUS, a world alliance for citizen participation, defines civil society as "men and women, groups and individuals working together to do things by themselves in order to change the societies they live in" (CIVICUS, 1994). However, as Smith (1997) argues, grassroots level associations, another form of civil society, that hold tremendous manpower, and provide substantial contribution to improving society, are often neglected in the mainstream discussion of civil society. The role of the civil society sector is important mainly in creating and enhancing social capital that contributes to sustaining democracy and fostering economic growth, which Salamon and Anheier (1997) believe is possible only with a mutually-supportive relationship among the civil society, the state, and the business community.

The civil society sector attempts to protect the rights of individuals and the common good by adapting approaches beyond politics (Guthrie, 1994). However, it can also be used against the excessive centralization and abuse of power. But power is not of primary concern here. As Judge (1994) points out, what the civil society sector does is provide the means to address

the complex needs of society, motivate people to act independent of the political power, promote social diversity and identity, and enhance the relationship between governments and the market. Neither the political/legal frameworks of governments nor economic systems themselves can contribute sufficiently to society to fulfill these aspects. For this, self-perpetuated groups of people or entities are necessary.

Non-Government Organizations Today

The range of activities of today's non-government organizations (subsequently referred to as NGOs) that represent the individual forms of the civil society sector, is very broad. This is because the civil society sector spreads over both industrial as well as developing countries that provide different political environments. As the market system has brought economies into the global mainstream, the domain of human development has also adopted a globalized shape. As shaped by the global eco-political environment, some NGOs help people at the grassroots level and are regional or national in the scale of their activities, while some others have international influence. A study conducted in some selected industrial and developing countries, including US, UK, Japan, India, Brazil, Thailand, and Ghana confirms that a massive number of NGOs are participating in the process of providing "collective goods" to the public. It is relevant, Salamon and Anheier (1997) argue, not only in pre-industrial societies, where a whole set of development needs are prevalent, but such NGOs are also equally important in industrial societies, where the market system is otherwise unable to fulfill this need.

Clark (1991) classifies NGOs into six different, although general, categories. First, organizations are involved in relief and welfare activities such as Catholic Relief Services and other missionary societies. Second, technical innovation organizations tend to specialize in their field to pioneer new or improved approaches to solve various problems: the British Intermediate Technology Development Group and the Agan Khan Foundation (India) are examples. Third, public service contractors including CARE and Emergency Social Fund (Bolivia), implement official programs working closely with Southern governments with the Northern assistance. Fourth, popular development agencies are involved in self-help and social development activities and grassroots democracy, for example: independently-operated Oxfams and Bangladesh Rural Advancement Committee (BRAC). Fifth, grassroots development organizations, such as Self-Employed Women's Association (SEWA- India) and rural workers'

unions of Brazil, composed of poor and oppressed members, are engaged in popular development process, and are often funded by popular development agencies of the north. Last, advocacy groups and networking organizations such as Freedom from Debt Coalition (the Philippines), Third World Network based in Penang, and various environmental pressure groups, have no field base and are involved in education and lobbying activities.

Julie Fisher (1993) examined NGOs especially in the developing world's context. Based on their emergence, she finds two types of NGOs to be active. First, with the availability of foreign assistance since the 1970s, idealistic young professionals have created and are involved in the activities of grassroots support organizations (GRSOs). Basically, these organizations are involved in the fields such as development, environment, women, and primary health care. The typical GRSOs are staffed by professionals and are involved in channeling international funds to grassroots organizations (GROs).

Second, GROs are created by local people for their community well being. Examples of these organizations include women's groups, farmers' groups, or other user groups. Though in many cases, GRSOs have supported and also been contributors in creating GROs, there are also examples of GROs helping GRSOs by providing manpower to form and operate them.

NGOs and the Civil Society Sector

There are controversies regarding what is the sector, other than the government and private business, called. Various names are given to this sector such as the voluntary sector, third sector, nonprofit sector, informal sector and independent sector.

As used by Brown and Korten (1989), and others, *voluntary sector*, is an alternative to motivate people for resource utilization with shared values rather than with shared politics or economics. With this notion, the sector would tend to include volunteers and their activities. In practice, it is not confined to voluntary work, for in the extreme, it involves all paid works. The notion of *third sector*, which was initially used in literature by Nielson (1979), does not give a complete sense unless there is proper knowledge that the first and second sectors are government and private business. Again, with the emergence of new domains, what it really includes is far from clear.

Among others, Salamon (1992) prefers the term *nonprofit sector*, which is popular mainly in the developed societies and in fact, is unable to represent the context of developing societies. This is because even with the presence of profit objectives, some institutional forms, for example: cooperatives, benefit their members and promote economic development in the communities. Moreover, this sector is characterized by its tax exempt status in the developed societies, where in developing societies it does not completely meet this definition as even businesses and other initiatives operate without paying tax.

The term *informal sector* carries a notion not completely synonymous with, but similar to the concept of, the NGO sector. This is because both are bottom-up products of the demands for autonomy and strengthening of civil society (Fisher, 1993). With overlapping characteristics to the independent sector, the informal sector tends to include the whole range of informal activities, for example: household activities, which are not included in formal national accounts.

The term *independent sector* tends to be wider encompassing two fundamental elements, i.e. autonomy and shared values (Fisher, 1993). However, what the independent sector includes depends on circumstances. Their definitions can be based on legal status, national accounts, residual from government and the business sector, or any other boundaries (Anheier, 1990). The independent sector can be defined as a domain emerged in an attempt to promote informal resources and institutionalize efforts of human well being. In this respect, NGOs are a part of the independent sector that embodies voluntary, member serving, or public serving activities in a less formal way. In traditional sociological terms, NGOs are secondary (or voluntary) associations, as family, church, and state of birth are primary associations, which can never be changed (Weaver, Rock, and Kusterer; 1997). In contrast, people join secondary voluntary associations with their own interest.

Another term, frequently used throughout this article, is the *civil society sector*. As CIVICUS (1997) notes, the civil society sector has formed, by expanding the traditional charitable activities to the areas of citizen participation and the delivery of social, economic, cultural, educational, and scientific services. Institutions, called NGOs in this article, are established as additional human and institutional resources to accomplish the activities of the public interest and have been represented by the civil society sector. The civil society sector includes all of the nonprofit

sector institutions, for example: foundations, charities, community development corporations, hospitals, universities, and other civic organizations, of the north as well as non-governmental organizations such as community development organizations, research organizations, and other grassroots organizations of the south. Similarly, the word itself is more representative than others – third sector, voluntary sector, independent sector and informal sector.

The civil society sector has a broad spectrum of activities as its technical form is extended from charitable or community development organizations to professional associations, and private universities and hospitals. However, the terms non-government organizations (NGOs) and nonprofit organizations (NPOs) are used synonymously, especially in the context of developing societies, because NGOs operate without profit objectives. In contrast, in industrial societies, the term NPO is more preferred, as it should include all charitable and community development organizations (called NGOs in developing societies) and other professional, arts and private educational institutions, and private hospitals.

The Civil Society Sector and Democracy

The civil society sector is a major contributor in democratizing politics, and in lobbying and pressuring governments for policy changes. In this sense, Weaver et al. argues, the civil society sector is a prerequisite to a democratic political system (*Weaver, Rock, and Kusterer; 1997*). The civil society sector is more active in those societies, where interest groups that lobby and mobilize people do not actively participate in politics. The power of NGOs to influence politics at the local and national levels lies with the collective behavior of their members. Moreover, the activities of NGOs in developing societies are focused in such domains that help empower a particular group of people to participate in the decision making process.

Similarly, many NGOs around the world have engaged social analysts and other professionals, who are capable of commenting on the policies of governments, and giving policy alternatives. This in fact, has helped further the effective functioning of the democratic systems by providing important feedback to governments and public functionaries. At the international level, many examples can be found that are working in specified fields, such as Development Alternatives with Women for New Era (WAWN) in women's issues, Human Rights Watch and Amnesty

International in human rights, and Greenpeace and Environmental Defense Fund in environmental concerns.

In the developing world, NGOs have been agents not only to influence the policy environment in governments, but also to bring about major political changes in some countries. In an attack in Tnanacingo, a Salvadoran village in 1987, made by government troops and guerrillas, in which many people were killed, the role of Salvadoran Foundation for Development and Low Cost Housing (FUNDASAL) that organized people into a third political force was highly appreciated (*Fisher, 1993*). Since there are serious issues of development in third world countries, including poverty, environment, and population, the involvement of NGOs in improving society has been remarkable. They are involved in conscientizing people to solve the problems of underdevelopment, such as lack of education and primary health care. For example, adult literacy has been a major focus of NGOs in developing countries with high illiteracy. Similarly, the performance of some NGOs such as the Grameen Bank in Bangladesh towards women's empowerment is overwhelming.

The Roles of the Civil Society Sector

On the top of the civil hierarchy are governments that can create policies, impose taxes, and use political and bureaucratic power to shape national environments. At the grassroots level are the "doers," people whom NGOs have no power to influence. The role of the civil society sector can not be undermined because while it lacks formal power, it tends to work for people.

The civil society sector has been involved in three sets of activities, including project replication, building grassroots movements, and influencing policy reforms (*Clark, 1991*). First, NGOs replicate their own projects based on their own experiences of failures and successes, or help others carry out similar programs. This has been done effectively, where resources are plentiful, governments are either autocratic or weak, exploitation by local elite is evident, the poor are scared to speak out, and a strong local leadership exists. The success of project replication, however, depends on the manpower involved and its proper training, and the management capacity to review organizational vision and values, formulate strategies, empower leadership, build consensus on the plans, and learn by doing. Experiences around the world suggest that NGOs should ensure decentralization of authorities and activities, networking with similar

NGOs, and information dissemination. In this connection, Clark emphasizes strategizing plans, policies, and actions of NGOs to ensure success.

Second, the civil society sector helps create grassroots movements, which requires rational persuasion, expression of mass unrest, and publicity. It has been possible, where social and institutional factors have exacerbated the mass poverty, at least where leaders of the poor have perceived exploitation and injustice, the potentials of grassroots organizations exist, and the poor can be informally gathered. Based on the experiences from grassroots movements in developing countries including Bangladesh, India and South Korea particularly, on small scale credit, users' group formation for natural resources, environment, and women's activities, Clark (1991) shows a primacy of local people in sustaining development.

Third, the civil society sector influences on policy reform by dialogue and persuasion, rather than by confrontation. It has been more relevant in the environment, where possibility of effective participatory development has been nullified by the existing government practices, the contribution of NGOs is respected by the authorities, the authorities are either strong and liberal or weak and haphazard, and the poor are more receptive. Policy reforms are essential for successful implementation of development schemes. A survey study of 277 micro development projects conducted by USAID in different countries found that in 88 per cent of the cases the policy environment was unfavorable to succeed (Fowler, 1988). Women, agriculture, and the environment are some areas where most NGOs have been involved in influencing policy reform. Among others, experiences from Malawi, Zambia, India, Peru, and Zaire indicate that to influence policy reform so as to create favorable environment for development projects, NGOs should be strategically prepared with proper planning, management capacity, networking, and negotiations with appropriate agencies (Clark, 1991).

NGO experiences around the developing world serve as experimentation for improving efficiency in their activities. Based on this, Clark (1991) proposes a five "Ls" formula to accomplish NGO-tasks effectively, which includes listening to critics, learning from research, linking themselves for networks and coalition, developing leadership among the poor, and lobbying to influence policy decisions.

"Why" or "Why Not" NGOs?

The modern world favors NGOs, whether they are in industrial countries or in developing ones. In industrial countries, people provide direct donations to charitable and nonprofit organizations because governments, rather than restraining this practice, facilitate in providing them with supports by offering additional incentives to contributors. In developing countries, governments as well as people, who are involved in NGO activities tend to look for external assistance at least to initiate any development process. It's been a common practice that getting support from foreign donors is considered essential for both government and non-government organizations in developing countries. Besides, many people in developing countries tend to favor the conduit of NGOs to be involved in community development activities.

Many scholars tend to believe that NGOs have potential comparative advantage over governments and other official donors in the grassroots development (*Fowler, 1988 and OECD, 1988*). However, there are also arguments that they will not be able to compete with governments in service deliveries (*Carroll, 1992*). In fact, NGOs do not have any political support from the public, neither do they have bureaucratic power that governments are entitled to use. Their representatives are not elected with the votes of the general public. What do NGOs do or what do they have that makes them loved by people and governments? Don't they have any weakness that harms their beneficiaries rather than benefiting them? Some strengths and weaknesses are analyzed below.

Strengths and Critics

Lipnack and Stamps (1982) have found that NGOs have been working as networking tools of the civil society sector, where people with diverse and dispersed capacities express their voluntary commitments to improving society. Whether emerged from the grassroots level or having understanding of real problems at different levels, it is argued that their diversity and independence help bring diversified perspectives in analyzing problems and identifying possible solutions.

Studies support the fact that NGOs are basically more focused in their targets, especially in serving the poor, while government or other official aid agencies set a wide range of objectives. Also, from a geographical viewpoint, they often work in remote areas, where government

officials are not present. As NGOs tend to demonstrate success stories out of their involvement and it is difficult to prove this while working with groups of destitute, some NGOs tend to work with comparatively less poor who already possess some confidence, and basic skills on farming, crafts, numeracy and literacy. The notion that NGOs are benefiting the poor has yet to be proved, however. A study of 75 US NGO-projects shows that they are benefiting people with upper and middle range of income (*Tendler, 1982*).

As indicated in the Bruteland Commission report (*1987*), citizens' participation in decision making is a prerequisite to sustainable development. For an NGO-initiative to be sustainable, it is argued that it should be based on the problems and aspirations of the poor and should ensure an effective management and decision making structure (*Clark, 1991*). Only the realistic participation of people can be expected to ensure effective decision making. Studies indicate that some progressive NGOs are able to establish effective and participatory approaches to decisions with the involvement of people who benefit. The grassroots or indigenous organizations, *Clark (1991)* asserts, are particularly successful in incorporating the notion of people's participation into practice.

Unlike government and other official aid agencies, NGOs are flexible to experiment and adapt new approaches for many reasons. This is because the number of decision makers in NGOs is smaller, their decisions are not subject to political or public scrutiny, consequences of failure are less, and it is believed that volunteerism creates an environment which generates new ideas. In many cases, where NGOs are not innovative, it has been proved that they are adaptive to new approaches.

Because NGO-staff share their values and beliefs in social change, they are highly committed to their work. Rather than focusing on organizational effectiveness, it is argued that NGO-staff focus on their mission and activities. There is also a likelihood that the committed staff possess their own original ideas regarding NGO operation that help yield proper decisions.

Weaknesses

Studies have found that it is easy to establish an NGO in both developed and developing countries. NGOs in industrial countries that provide funds to other organizations are found to be favoring dynamic ideas

and programs. It is also argued that in many cases, assistance has been supply-led. A problem always exists to find appropriate NGOs that are working truly for development. It is also observed that a tradition, where NGO sector would initially be known as the voluntary sector, has diverted from volunteerism. Rivalries among many different NGOs are also evident. Because of these rivalries, many activities are duplicated by different organizations, causing a waste of resources.

On the management side, studies indicate that there are problems in exercising balanced and dynamic NGO leaderships. Brown (1988) argues that two types of people are considered leading the today's NGO-sector – charismatic and participatory. Charismatic leaders, typically NGO founders, are committed to and well visioned in organizational activities with their personal qualities, but are somewhat dictatorial in decision making. In contrast, Brown says, some leaders are committed to more structured management and participatory decision making to be held in a collegial process. In many cases, charismatic leaders are found successful for organizational growth, however, it may have caused instability with leadership change. With participatory or collegial leaders, some tend to argue that decision making may be slow and cumbersome, and management may even divert from organizational mission. Similarly, in many cases, there is a lack of involvement and participation of board members in management and particular programs, despite which they are held responsible for the organizational activities.

Unlike in government or public organizations, it is found that there are no specific rules regarding human resource management in NGOs. All it is based on is leadership styles. An argument is that in charismatic leadership, staff will feel weaker and dictated to because their own ideas will be superseded by that of their leaders. In a collegial style of leadership, a lack of a well-defined mission, and personal views and motivation can lead staff to divergent and poorly coordinated directions. Likewise, Clark (1991) argues career advancement opportunities are seldom available to NGO staff because of their smaller organizational scale.

However, many NGO projects are not managerially and technically viable, nor are they really focused on poor people. Many studies have shown that projects are not relevant to the needs of poor and women; most of the decision is made by local elite; and projects are not innovative (Brown, 1988; Sheldon, 1987; Broadhead and Herrbert-Coopley, 1988; Elliot, 1987; Fowler, 1988; Gerilao, 1987; and Tandler 1982). Similarly,

such studies have found that imported project approaches are not appropriate to local environments in developing countries; projects lack strategic planning; sustainability aspect of projects is overlooked; and project staff lack technical expertise.

Institutional learning process is essential in NGOs. This is because they also tend to experiment with different approaches. A high staff turnover, which is prevalent in NGOs, has hampered the institutionalization of experience. It is argued that monitoring and evaluation is rarely incorporated in NGO activities, which would identify and document learning from their experience. In this regard, Clark (1991) proposes establishment of some developing country-based research institutes that would be independent in operation and evaluate programs of other NGOs in terms of popular participation, and other regional concerns.

There is no clear agreement to whom NGOs should be accountable. There are many constituencies NGOs are expected to deal with and report to – the government, people, board, and project financier(s). One can argue that they are accountable to all, while also to nobody, because every party has interest in NGO activities but no one has the knowledge to ask specific questions regarding their programs and performance. It is also because board members often get uninvolved in their program activities.

The mushrooming number of NGOs does not alone mean that this sector is performing magnificently. The sector in overall may be doing "good" because some NGOs are doing "great." What are their performance measurement criteria? Increased volume of operation, fundraising capacity, human resources, ratio of administrative to program expenses, or number of people getting out of poverty. It is hard to define because some NGOs are not directly linked with poverty and society. Even if they have a direct linkage, it is hard to quantify the outcomes of NGO-initiatives such as empowerment, confidence building, and overall improvement in quality of lives. Unlike companies, it is obvious that NGOs can not assess their performance with ratio analysis, turnover, sales, or profit. Also, coverage of NGO activities makes it difficult to derive some comparative numbers such as income level, educational status of children, medical expenses, and participation in politics.

Performance Measurement of NGOs

What makes an NGO successful in light of fostering the process to sustainable development? It is difficult to identify specific measurement criteria for NGO performance in qualitative terms because every NGO is not involved in raising money or increasing income among beneficiaries. Basically, the Northern scholars tend to quantify performance by using economic and quantitative criteria such as increased wage, declined profit of the local money lenders, and increased primary school enrollment ratio. For example, Tandler (1987) argues credit can be a clear organizational performance of savings and credit institutions because upon organizational inefficiency savings by their members can be withdrawn.

Another approach, mainly forwarded by the third world scholars for performance measurement, is qualitative empowerment indicator, for example: progress towards networking or producing impact on policies (Ritchey Vance, 1991). Towards developing qualitative indicators, it is argued that primary focus should be on process indicators such as ability of organizations to get to the highly disadvantaged, produce spin-offs, enhance finances, acquire resources through collaborative efforts, and facilitate in decentralization process (Cotter, 1988). Similarly, result indicators such as impact on certain groups (for example: landless) that measure the specific outcomes are also important.

Many efforts have been made to measure performance of NGOs in different social, cultural, and economic settings. But at the same time, there is a dearth of documentation because most assessments are done as an internal process, where no documentation is deemed necessary. Even in the cases they have come out in the literature, it is evident that there is a lack of congruence among the cases and criteria used. Cotter, who has worked long in development offices and evaluation pursuits, is unable to provide with a set of standardized measurement criteria (Cotter, 1988). Neither Fowler's (1990) observation in Africa, nor Smith's (1990) work in Columbia has found significant impact audits and their documentation.

Since NGO involvement is so diversified with different objectives, Fisher (1993) argues development of general criteria for NGO evaluation is complicated. Nonetheless, NGOs have gone through evolutionary change in their focus. Traditionally, relief and welfare activities would be carried out providing mainly the basic, social, and economic services. By realizing a

need to contribute to the more sustainable form of development in developing countries, it is analyzed that the NGO-focus shifted later on, to participation and social empowerment. The empowerment role is mainly influenced by the notion of community development, liberation theology, and social mobilization. The most recent change in NGO focus is to policy reform by producing impacts in a macro level. As led by these changes, existing NGO focus is diversified because some NGOs are still working with the traditional relief and welfare objectives.

In his analysis, Carroll (1992) has used three basic criteria to evaluate performance of selected NGOs in Latin America. Since NGOs are involved in providing development services, the first criterion used is how effective NGOs are in doing so. In so doing, there are two concerns. One is that they should be able to provide qualitative and larger volume of services being cost efficient. However they are not supposed to replace the mainstream services available from the public sector but rather they should be able to complement them to ensure fulfillment of the needs. The other, in delivering services they should be able to reach the groups of poor and disadvantaged, who are unable to benefit from the mainstream services of the public sector.

Second, the NGO performance is concerned with the capacity and exercise towards participation and empowerment. In terms of participation, it is argued that NGOs should be able to ensure participation from their beneficiaries in decision making. It is concerned with how responsive and finally, accountable NGOs are to the needs of beneficiaries. Similarly, NGO services should be able to reinforce the capacity of local groups. Because more than enabling to perform certain technical tasks, local groups and members should be able to make their own decisions properly in given circumstances. Moreover, on Fals Borda's (1988) notion, empowerment process should also prepare beneficiaries to take over the development process and determine modalities to use the support provided by outsiders, rather than being mobilized by them. The empowerment process towards institutionalizing local efforts can be a way to sustaining development.

Third, NGOs are expected to produce wider impact through innovation and policy reforms. Working approaches of NGOs are appreciated for their innovativeness, starting from smaller scale. The NGO performance is measured in terms of its capacity to innovate and transfer ideas, methods, and techniques. However, a single NGO is not able to expand activities in a larger scale. In this regard, it is recommended that

NGOs test new approaches to micro developmental problems and effective solutions be diffused to produce wider impact. It eventually, should have led to policy changes at the regional, national, or sectoral level to influence the economic, political, and social environments.

Empowerment for Sustainable Development

When we define sustainable development as a process that sustains resources for future development needs, the empowerment is also a process to enable certain groups including poor and women, who are unable to benefit from the mainstream development. Fisher (1993) argues the concept of empowerment applies to individuals, groups, or organizations including NGOs themselves in order to improve political systems, social relationships, gender relationships, or economic systems.

Because NGOs have been working with the primary objectives of social development, empowerment of NGOs themselves to impart the notion of long term development objectives in their proximate programmatic actions can be helpful to progress towards sustainable development. Carroll's (1992) study of some Latin American NGOs demonstrates that understanding of the role of 'participation' in socioeconomic development among NGOs and others, in fact, supports instead of exacerbating the society's long term goals. While popular participation has been found the most effective development strategy (Lance and McKenna, 1975), the accomplishment of most World Bank financed projects towards producing sustainable effects after the completion of projects is found unsuccessful (Fisher, 1993). The empowerment of NGOs at the grassroots level was central to the successful cases, while they were also found successful in technical improvements, socioeconomic compatibility, favorable policy environment, and financing of costs (Cernea, 1987).

The popular participation is a step to empowerment and thus, to sustainable development. However, the participation of local people in development pursuits is very low in many countries, mainly because it is largely influenced by the countries' political structure and environment. The most obvious advantage of participation is that it helps improve the quality of information and lower the project costs. Nevertheless, the local knowledge is often neglected by technical project experts, although, they are realized to be most valuable as in the bridge construction cases from Nepal, Mexico and the Philippines. In the cases from Nepal, for example,

infrastructure development projects including bridge construction have been accomplished by local community groups one-fourth more cost effectively than by the government (*Uphoff, 1986*).

Additionally, it is argued that the participation process helps encourage participants for further continuation. This is because one can obtain certain knowledge or technical skills from participation that remains on him or her forever. Some tend to argue that the economic participation also provides spin off effects on political participation because it improves their condition of marginalization.

The notion of participation is also aimed at producing social impacts towards empowerment. Although, it is difficult to find immediate returns on social investment, some indirect indicators can be applied to identify this relationship. In general, productivity of literate farmers is more than that of the illiterates in developing world. With the improvement in women's health, and time and energy savings due to a less number of children, studies raise a hope that the condition of women in the third world can improve. Fisher's (*1993*) study shows that there is a strong correlation between "poverty reach" and participation.

As institutional sustainability is a key to sustainable development, the capacity not only of beneficiaries, but rather of NGOs themselves should also be enhanced for further learning and adaptation. It is with a view that the organizational empowerment is based on participatory and innovative techniques adopted by organizations. It is also identified that the networking and collaborations with other vertical or horizontal organizations are necessary. Similarly, improvement in internal management is required to be responsive to the donor concerns or to the enhancement of organizational efficiency.

Another issue of institutional sustainability is funding because most NGOs in the third world are dependent on foreign assistance (*Fisher, 1993*). Because the overall economic resource base of developing countries is poor, so is the philanthropic giving. While major percentage of the nonprofit funding in industrial countries comes from individuals (Salamon, 1994) and the per capita income of the average developing societies is substantially lower, most of the NGOs in developing countries are least hopeful about domestic funding, unless economic development takes place overnight. In addition to the lower volume and volatile operation of businesses that can contribute only negligible amounts to the development of the NGO sector,

government tax systems demotivate high-income people to provide donations to the charitable organizations. For an extreme, many high earning economic activities and individuals are not included in government tax systems.

However, as research indicates, a proclivity can be observed in many countries towards developing financially self-sustainable institutions. For instance, Indian NGOs get 50 per cent of the finances from domestic sources (the other 50% assisted by foreign donor agencies) (*McCarthy, 1989; Dadrawala, 1990*); only 31.4 per cent of the Guatemalan NGOs receive foreign support (*Anheier, 1987*); while dependency of 11.5 per cent NGOs in Nigeria is in international donation (*Fisher, 1993*). Since there are policy as well as practical barriers to succeed fundraising programs in most developing countries, statistics support that many NGOs such as YMCA in Zambia and FGBPW in Ghana, have started for-profit activities in order to reduce foreign dependency (*Leonard, 1982; McCarthy, 1989*). However, whether NGOs can be involved in for-profit activities is still debatable. Alternatively, in a few cases such as WALHI in Indonesia, NGOs have also structured their boards to include many corporate business representatives with a view to getting and sustaining corporate support (*McCarthy, 1989*).

While the issue of NGO self-sustainability in developing countries essentially calls for reduction in foreign dependency by generating resources within the country, it is more concerned with the development of NGOs themselves as financially self-sufficient institutions. It is because the resources available in developing countries are scarcer as the society's needs are increasing and the NGOs involved in similar activities have been competing in each other. In this context, a CIVICUS (*1997*) study attempts to identify some strategic alternatives how NGOs can generate and thereby mobilize resources more efficiently and also in a sustainable manner. While it brings into discussion the existing practices in the civil society sector of the south, its propositions seem also directed at diffusing the Northern civil society sector's fundraising techniques. Beyond the existing practices in the south, for example: generating revenues from the exchange of goods and services, building grassroots organizations, and tapping resources from the development assistance agencies; its proposition continues onto making the civil society sector in itself more sustainable. In addition, it argues it can partly be accomplished by establishing foundations and individual philanthropies, and by tapping the resources from the public sector and the market including corporations. Similarly, micro-credit programs and

conversion of commercial or official debts can give NGOs the leverage to be more autonomous by providing safety nets. This, however, needs tremendous resources in the beginning of the activity and therefore, NGOs in the developing world are generally unable to opt for.

Conclusion

As the global market system has affected every country around the world, the traditional notion of civil society that attempts to fulfill the responsibility of society towards more needy people, groups, and communities by providing charitable giving has gotten more institutionalized. While the role of the civil society is important in industrial societies to address the needs not fulfilled by the market mechanisms, its role in developing societies is more critical because the market and governments, even jointly, are unable to fulfill people's needs and expectations. The needs and expectations in developing societies are limitless ranging from the development of basic infrastructure to the building of human and social capitals.

Today's NGOs have been development partners of governments and protectors of societies in the developing world. They function as agents to strengthen the relationship among people, governments, and the private business sector. The particular role of the civil society sector is, however, based on the needs of societies ranging from defending democracy and human rights to fighting for more equitable development and safer environment, and help people improve the quality of lives (*CIVICUS, 1994*).

The involvement of NGOs in a diversified range of activities makes it difficult for researchers to bring in a common set of indicators to measure the performance of particular organizations. Some NGO-activities are more quantifiable, while others have more qualitatively oriented functions. Similarly, some organizations have more direct relationship with societies as they directly participate in the social activities, for example: social and community development, while others have set their missions, indirectly concerned with the social phenomena, for example: to conduct educational and research activities. Still, research indicates that the notion of effectiveness and efficiency used to assess performance in the private sector is equally applicable in the civil society sector. However, unlike the business sector, which is solely concerned with the cost and profit factors, the efficiency and effectiveness measurements of the civil society sector's

performance will be more meaningful while relating with the cost, quality, coverage, participation, and empowerment. Moreover, the impact of the civil society sector's activities through innovation and policy reform is also important because NGOs around the world have also tested with new approaches to solve various social problems.

The most important factor in sustaining development is the sustainable ways the civil society sector accomplishes tasks and its own institutional sustainability. This is because the betterment of societies is dependent on the continuation of the civil society sector, which ultimately relies on the benefits societies receive from the sector's continuation. In sum, there is a reciprocal relationship: The sustainability of the civil society sector depends on the support of society, while the society's continual support depends on the accomplishments of the civil society sector. Saying this does not mean that the sustainability of the civil society sector has no relationship with governments and the private sectors. It is the government, who provides favorable legal environment and other official supports to the civil society sector to progress. Likewise, it is the private business sector that helps sustain the civil society sector thereby using NGOs as its partners in fulfilling its social responsibilities. Since the private sector operates with a profit motive that is derived from the people at large or some specified segments, societies have been increasingly concerned today, especially with the businesses that seriously pollute the environment, if they can be held responsible to pay back societies for environmental restoration. While these are separate issues whether the polluted environment can be restored or not, this has a significant implication to the civil society sector because NGOs can be an agent to help fulfill the society's expectations of the private sector.

Finally, the sustainability of the civil society sector depends on the capacities of individual NGOs to generate resources to sustain themselves. While NGOs in the both south and east have had many innovative techniques of fundraising to choose from, which are considered effective based on their experimentation on the both Northern and Southern circumstances, they are not equally applicable to every organization. In fact, there is no panacea for NGOs to make them sustainable, but rather it is dependent on their holistic and sustainable strategy to generate resources by combining their own institutional capability, for example: to plan, manage, and evaluate their activities effectively, and the capacity to use the existing legal, policy, and regulatory environments in their own favor.

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