TAKING STOCK AT THE CROSSROADS: REFLECTING ON THE ROLE OF THE NGO SECTOR IN ENABLING AND SUPPORTING PARTICIPATORY LOCAL GOVERNANCE IN A TIME OF 'CRISIS'

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The crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear

- Antonio Gramsci

'Never let a serious crisis go to waste. What I mean by that is it's an opportunity to do things you couldn't do before.' 'Things we had postponed for too long, that were long term, are now immediate and must be dealt with.'

- Rahm Emanuel, Obama Administration Chief of Staff

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Introduction

Reading the literature and speaking to members of the non-governmental organisation (NGO) community one is most likely to encounter the Gramscian description of the current state of civil society in South Africa. The sense is that local governance in South Africa, including NGOs who seek to promote better, more inclusive governance, has reached a 'crisis' point. This has most visibly been illustrated by the steady growth in expressions of community unrest and dissatisfaction, a self-declared crisis in the state of local government that culminated in the formulation of a 'Local Government Turnaround Strategy', a difficult and ambiguous relationship between civil society, government (at all levels) and the ruling party, and the 'crunch' in funding flows brought about by the global financial crisis and drawn out recession. While this moment is truly an expression of a longer structural shift that has been occurring in civil

society since the early 1990s (Reitzes and Friedman, 2001; Kotzé, 2004), the dire state of funding and the shift in political dynamics within the ruling Alliance[1] have triggered the need for a relatively sudden repositioning by NGOs across the sector.

In the face of a financial crisis that analysts were warning may rival the Great Depression, however, the newly elected administration in the United States was able to look at crisis and see opportunity[2]. They were able to recognise that crisis is often a sudden acceleration and intensification of long-term trends and, because it disrupts old patterns and compels organisations to reassess their priorities and modes of operation and seek new allies, can lead to positive structural change – if addressed strategically and reflexively (Kaplan, 1998).

Drawing on experiences in the sector, therefore, this paper seeks to understand the particular dimensions of this crisis, identify the various responses that are occurring, and reflect on some of the opportunities created by these trends. First, it will outline the changes to the socio-political, institutional and funding context that characterise the current moment. Second, the different roles and strategies employed by organisations in the sector will be differentiated and the dynamics currently being experienced in each of them will then be briefly sketched. Finally, the various repositionings occurring in the NGO sector in response to the 'crisis', and the opportunities presented by these repositionings, are explored.

RESEARCH QUESTIONS AND METHODOLOGY

As an active member of the sector, Isandla Institute has been grappling with the array of challenges that make this a crossroads moment. While most contributions to this report focus on either the weaknesses of formalised spaces for public participation ('invited spaces') or seek to shed light on community protests and social mobilisation against or in the place of the state ('invented spaces'), we have opted to focus on the implications of these and wider changes for NGOs. We believe this is an important focus because we consider NGOs to have a vital role in the local government sector and it is therefore essential that the other role players in the sector (e.g. government officials and its support structures) understand the dynamics shaping the practice and decision-making this part of the sector. Captured in a single question, then, we ask:

> What opportunities does the current 'crisis' hold for innovative and effective (re)positionings of NGOs which reinforce the value and place of the sector in a vibrant local democratic dispensation?

The content of this paper is based on data collected from a focus group with key informants and seven additional interviews with the leadership of NGOs in the sector and key funders[3]. This has been supplemented with our own experience as an NGO participating in the sector and a reading of the secondary literature. We should emphasise that this research is focused on the 'formal' NGO sector working in the governance field and therefore does not necessarily speak to the experiences of other grouping such as social movements or community-based organisations (CBOs).

ANATOMY OF THE 'CRISIS'

As was noted in the introduction, civil society has been undergoing an extended process of redefinition and repositioning since the advent of democracy. However, the last two years have seen some relatively dramatic changes in the environment in which NGOs work in South Africa. Drawing on our own analysis and themes emerging from the

interviews, we would like to focus on four trends that seem to have had significant effects.

First, the public expression of community dissatisfaction has become a more common occurrence in recent years. While these are sometimes erroneously referred to as 'service delivery protests', a report commissioned by Parliament on the protests emphasised that the

> ...term "service delivery protests" is a misnomer since, while dissatisfaction with poor service delivery has certainly been a factor in triggering some of the protests, the causes of the protests are far more varied and complex than this. It must therefore be acknowledged that there are a multiplicity of factors at the root of the current protests and that these can best be placed into three broad categories: systemic (such as maladministration, fraud, nepotism and corruption in housing lists); structural (such as healthcare, unemployment, and land issues); and governance (such as weak leadership and the erosion of public confidence in leadership) (Parliament of RSA, 2009: vi).

The interviewees echoed many of these themes but noted that the causes and levels of dissatisfaction and mobilisation vary significantly from community to community. They added that the dissatisfaction was also as a result of a growing awareness amongst individuals and communities about their rights, disappointment with the limited participatory potential of current 'invited' spaces, a lack of reaction by officials and politicians to less violent protests, the unresponsiveness and lack of visibility of local politicians[4], a sense of deep frustration at the continued exclusion of these individuals and communities from the economy and the mainstream of society, the growth of 'relative deprivation' within and between communities (as some receive support and services while others are required to continue waiting), and that, at times, this dissatisfaction was being exploited for political or personal gains (for a

detailed case see Thompson and Nleya, 2010). The visibility (and violence) of some of these protests[5] seems to have accelerated an already ongoing shift in funding trends away from NGOs in this sector towards, on the one hand, building the technical capacity of the state and, on the other, organisations with more explicit 'grassroots' connections.

Second, the interviewees confirmed that the current system of 'invited spaces' created by the state remain insufficient and, at times, ill-suited to facilitate meaningful community engagement in local planning, decision making, resource allocation, implementation and evaluation (see also Friedman, 2006). Oldfield (2008) argues that with the state's 'all-consuming attention [on] "deliverable" physical development, less tangible and measurable democratic processes to build inclusion have become side elements, narrow channels through which *society is directed to participate within government*' (p.488; added emphasis). This disempowering and technocratic trend has resulted in rising dissatisfaction and unrest, and inappropriate and opaque planning, decision-making and practices by local government officials and politicians. Putting it quite starkly, Pithouse (2009) argues that 'there is a considerable extent to which the technocratic agenda, with its inability to enable genuinely popular participation in planning and its inability to confront elite interests with popular counter power, is inherently undemocratic' (p. 2). While there is some general appreciation of the problems with these invited spaces in government, there seems to be little political will and a limited technocratic response to this challenge.

Third, the new African National Congress (ANC) leadership elected in Polokwane, the split resulting in the Congress of the People (Cope), the election of a new ANC administration in 2009 (resulting in a significant reshuffle of government departments and

programmes) and ongoing tensions between the Alliance partners have resulted in the state maintaining a deeply ambiguous posture towards civil society (see Reitzes, 2010). Despite an explicit shift in the discourse of the ANC and the new administration towards consultation and engagement with civil society and communities, the interviewees were unanimous that the dominant political and technocratic culture is still one of state-centrism and party-centrism (see also Heller, 2008; Oldfield, 2008). For example, the Local Government Turnaround Strategy enacted by the newly formed Department of Cooperative Governance and Traditional Affairs (Cogta) focuses on a range of technocratic 'fixes', while largely remaining silent about a range of political, institutional and social challenges of equal or greater importance in determining the efficacy of this level of government.

partnering with 'progressive' elements in government is becoming increasingly difficult due to the insecurity and volatility created by political infighting.

Fourth, the global economic recession has accelerated changes in the financial and funding environment, which has challenged NGOs in rather fundamental ways. James Peck (2010) describes the current period as 'zombie neoliberalism' in which the ideology is 'dead but dominant'[6] . While the full import of this global trend cannot be examined here, it has had specific effects or patterns of international development funding and on the priorities and operation of the state and civil society in South Africa. The financial crisis has put international and local development agencies and private funds under increased pressure to ensure that the 'right' kinds of development interventions are supported and that

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A clear theme emerging from the interviews was that there has been a growing awareness in the sector that understanding and responding appropriately to inter- and intra-party contestation and dynamics are essential to the efficacy of organisations working at and with the grassroots of the democratic system. That is, the increasingly frequent experience of blurred lines between the state and party at the ward (committee) level means that ignoring political dynamics or attempting to remain 'neutral' by engaging exclusively with state structures, as has often been the practice of organisations in the past, is counter productive and adversely affects the prospects of projects. Some interviewees also noted that

their support is used efficiently to achieve the greatest possible impact.

Interviewees report that it has accelerated the long-term trend towards the 'projectisation' of international funding; that is, donors are increasingly moving away from the provision of 'core funding' for organisations (i.e. covering operational costs based on the organisation's mission and track record) towards the funding of discrete projects with specific, easily identifiable outputs (Ewing and Guliwe, 2008; Lewis and Kanji, 2009). Funders argue that this enables greater accountability, increases efficiency and effectiveness, and encourages considered engagement with social problems, prioritising those which need to be most urgently

addressed. However, critics claim that it increases the insecurity and vulnerability of small organisations, encourages conservative decision-making, and reduces the ability of organisations to react fluidly and appropriately to shifting dynamics 'on the ground', pursue interventions which require long-term commitment to achieve success, or interventions that have impacts that are difficult to quantify (Honadle and Rosengard, 1983; Sampson, 1996). South African NGOs, particularly in this sector, have had a history of being highly dependent on international 'core' funding and, while we show there has been some recent innovation (see below), have generally struggled to engage proactively with this trend towards formalisation[7] and projectisation.

The financial crisis also seems to have accelerated a shift in the focus of the state away from community development and empowerment towards state-centric welfarism. This is an ongoing trend in South Africa, often identified as a natural corollary to a neoliberal macroeconomic strategy, in which elements of the state and civil society are compelled to focus on 'bread and butter issues' of basic survival in order to mitigate the aggravated effects (growing inequality, unemployment and poverty) of the system (Habib, 2003; Kotzé, 2004). The heavy reliance on the Extended Public Works Programme in the government's approach to poverty is a good example of this – it amounts to a conditional resource transfer that is state controlled and directed (leaving little room for the genuine growth of participants, community control or creative engagement with local contexts or beneficiary needs) (McCord, 2005; Hart, 2006; HSRC, 2007) This is a significant trend because a number of the organisations interviewed claimed that, due to time pressures and the specificity of the types of support available from the state and funders, they feel unable to pursue advocacy or important developmental 'learnings' emerging from their experiences in poor communities.

SECTOR STRATEGIES AND TRENDS

Before turning to specific repositioning currently occurring in the sector, this paper will offer a differentiation of the roles and strategies employed by parts of the NGO sector. A key insight from the research has been the importance of acknowledging and valuing (on their own terms) the different parts of the sector. This diversity is particularly important to be aware of because the response of an organisation to the shifting external context is often significantly shaped by their conceptualisation of their role and strategy (as well as a variety of other more contextually immediate considerations). In addition, clarity about the value and nature of this diversity is also instructive for external stakeholders (the state, social movements, funders, and communities) in order to manage their expectations about the role and functioning of the sector within wider society. Drawing on insights gleaned from the focus group and interviews, therefore, we propose two ways of 'unpacking' the roles played by members of the sector. However, we would like to emphasise that these typologies are intended as useful sketches or mind maps of the sector rather than definitive accounts. They are intended to stimulate thought and discussion about the value and diversity of the sector.

The first is about the roles played by NGOs in facilitating good governance. Our exposition of these is motivated by the growing trend in academic and funding circles that narrowly links legitimacy to 'having a constituency'[8]. We argue that the NGO sector is by definition 'value-driven' rather than constituency based. That is, NGOs are formed and operate guided by foundational documents and principles (a vision and mission) and as well as a complicated set of accountabilities to boards, funders, communities and states structures (see

STATE	THINK TANKS	INTERMEDIARIES	MEDIATORS	SOCIAL MOVEMENTS	COMMUNITIES

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FIgure 1: Continuim of Civile Society Organisations

Edwards and Hulme, 1996; Lewis and Kanji, 2009: 28). Organisations directly linked to specific constituencies (to which they are primarily account-able[9]) are social movements[10]. There are, however, important differences in how NGOs position them-selves in relation to poor communities and the state. There are three primary positionings: 'think tanks', intermediaries and mediators[11]. 'Think tanks'[12] primarily act as knowledge producers and synthesisers, a role that often positions them between the state and the rest of civil society and requires them to act as analysts of wider trends, translators (between different discourses and knowledge systems) and facilitators. Intermediary organisations act as 'go betweens' connecting the state and poor communities in order to facilitate better service delivery. This conventionally involves building capacity within poor communities to understand policy and opportunities, while using these experiences to advocate for specific changes in the policies and modes of operation in the state. While they often address similar issues, mediators focus on supporting the self-organisation of communities, the cultivation of community-driven solutions to development challenges and facilitate deal making between these communities and the state.

Second, drawing on the results of the interviews, we have also identified seven strategies currently being employed by organisations in the sector (intertwined with and cutting across the positionings identified above) and begun to 'map' some of the general longer-term trends with regards to the viability of these strategies.

First, NGOs that employ **research as a tool for advocacy,** either by tracking and revealing trends being ignored by policy and decision-makers or creating an evidence base in support of particular reforms. NGOs that have historically played this role in the sector are increasingly under pressure as specialist units based at universities have begun to play a similar role. This has been the result of increased interest in universities to pursue more 'relevant' research, the ability of universities to provide internal sources of funding and greater institutional support, a 'skills migration' of experienced researchers from the NGO sector to these units and, as a result of these factors, their superior ability to attract government and international funding and research contracts. In addition, NGOs have struggled to compete for research 'at scale' and with the interdisciplinary skills available at universities, due to their small staff complements. A number of these organisations have, therefore, had to narrow their research focus or supplement this activity with some of the other strategies identified here.

Second, NGOs pursuing **'innovation showcasing' or 'demonstration projects' as an advocacy tool**. These organisations usually work in a few specific communities over a long period of time in order to pilot case studies of particular ideas, which then use the results to advocate for wider shifts in practice or policy reform. While there still seems to be an appetite for this amongst some international funders, this strategy has had mixed

success with providing replicable and generalisable results (the intensity of funding and attention that characterise these projects cannot be duplicated when they are rolled out at scale) and their limited impact (in terms of breadth, not depth) has meant that their efficacy is increasingly being called into question by government decision-makers and other members of the sector (and, sometimes, challenged by non-beneficiary communities). Nonetheless, its proponents argue that it remains the most effective strategy in 'converting' policy- and decision-makers in new ways of thinking. Interviewees argue that the self-funded and already-capacitated nature of these initiatives provides the necessary motivation to attract the political and technocratic support necessary to shift practice. However, this increasingly seems to be a strategy that needs to be pursued while engaged in other work, particularly the next strategy.

Third, NGOs engaged in **training, education and capacity building**. This strategy has been a prominent part of the sector; traditionally focusing on building the capacity of poor communities but, with the funding opportunities presented by local governments and international funders, has increasingly become focused on addressing the capacity problem shortfalls experienced by local government. However, the resulting influx of funding, and an understanding of the capacity problem as technocratic and technical in nature, have resulted in increased numbers of consultants and for-profit companies competing for work in this sector at a scale, and with specialised technical capacities, that NGOs find difficult to match. Interviewees also indicated that international funders have expressed dissatisfaction with the scale, efficacy, ad hoc nature of the work and the high staff turnover

rates at NGOs traditionally fulfilling this role. Nonetheless, a number of NGOs playing this role have emphasised the ongoing need to provide and promote the 'soft skills' necessary to make *participatory* democratic processes work – a need almost completely unacknowledged by local government officials or ignored by consultants.

Fourth, NGOs act as **resource centres and networking hubs**. The flow of information is vital to the health of civil society organisations and poor communities alike and so a number of NGOs focus on sharing information and making connections. While these organisations are often under pressure to remain as 'lean' as possible from funders, they, as well as government officials and communities, recognise the importance of this role. A number of the NGOs in the governance sector that have traditionally played this role in South Africa are using their experience and reputation to play a similar role across the region and continent.

Fifth, NGOs act as **watchdogs**, monitoring government performance and ensuring the accountability of public institutions. While a number of organisations fulfil this function in the sector, few employ it as their *raison d'être*, rather adopting it as one aspect of a constellation of activities.

Sixth, NGOs support **the mobilisation of impoverished communities**. Social movements and radical community based organisations often have close ties to members of the NGO community, relying on its stability, or ability to raise funds, or provide additional capacity or institutional support, or transfer organisational skills etc. This, however, does not mean that there are not significant differences, and potentially difficult power relations, between these two kinds

of organisations, particularly with regards to questions of legitimacy and speaking on the behalf of the poor. An important difference, however, that emerged from the research is that social movements tend to mobilise around *service delivery* issues, while NGOs may address similar issues as *governance* issues. This is a significant difference because, while social movements may be able to extract specific concessions from the political and technocratic authorities, addressing them as governance challenges positions NGOs as long-term, critical partners with the potential to address the deeper structural challenges affecting how planning and decision-making operate at this level of government. Acknowledging that the long term and technical nature of this form of engagement requires NGO-like institutional capacity *and* that it also requires the dynamic engagement of affected communities creates an opportunity for NGOs and social movements to recognise the need to form mutually supportive partnerships based on the legitimacy and indispensability of one another.

Seventh, connected to some of the previous strategies, an emerging strategy is **providing technical support to assist government** decision-making, policy development and project design. Given the ongoing capacity shortages in government and the experience NGOs have in engaging practically and critically with policy, organising processes and designing community-based service delivery interventions, officials are increasingly engaging NGOs as advisers and service providers. This presents an opportunity for organisations to raise revenue (cross-subsidising other work) and, if structured correctly, influence the design and practice of government (see below about some cautionary notes about these partnerships).

EMERGING (RE-)POSITIONINGS

As we have emphasised a number of times, the current 'crisis' is characterised more by a form of accelerated *continuity* rather than profound change. There is nothing distinctly *new* about the challenges facing the sector, besides their immediacy and the potential depth of their impact. Nonetheless, despite the fact that the 'writing on the wall' has been detectable (if not always easily legible) for some time, our general assessment is that the sector has remained slow to identify and react to these trends. The opportunities located in crisis require flexibility, reflexivity, vision and some entrepreneurial spirit[13] to harness, and it seems as though many organisations were initially caught flat-footed. However, a range of interesting repositionings is now underway.

Relationships between NGOs and the state remain complex and multifaceted, although the general trend expressed in interviews was towards engaging with the state as brokers and service providers. This trend is driven both by the benefits to be gained from the pragmatic engagement with the state and the potential to diversify flows of funding. The most pronounced example of this is that a number of organisations are actively setting up training or consulting arms[14]. For some organisations this is simply a matter of emphasis, or charging for already established services, while others are relatively new to this terrain. While there are a number of potential dangers associated with this trend[15], there are ongoing examples where the enforced 'closeness' of the state and NGOs in this kind of relationship has resulted in productive and creative collaborations and partnerships. The challenge for NGOs is to ensure that these are principled and strategic partnerships[16] that do not blunt their critical voice. Furthermore, given the current near hegemony of state-centric development, the continued exposure of politicians and govern-

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ment officials to productive and pragmatic examples of the 'co-production' (Mitlin, 2008) of the public sphere and goods is vital. Unfortunately, these examples still largely remain restricted to the local sphere – the national political and technocratic mood still seems one of suspicion to the genuine decentralisation of planning and decision-making power outside of the state (and party).

As noted above, the growing awareness amongst NGOs about the inescapably political nature of supporting participatory governance is extremely positive. However, despite the fact that interviewees were able to identify political dynamics as potential roadblocks, few had practical suggestions for how to creatively engage with the complex blend of party and state at the local level (besides supporting political initiatives emerging beyond the party-political sphere, such as social movements). While supporting the emergence of a diversity of political expressions is undoubtedly positive (i.e. the creation of 'invented' spaces), NGOs will also have to find progressive and radical ways of engaging with the invited spaces created by the political and state systems (for example, getting non-ANC aligned civil society groups into NEDLAC, see Cebekhulue and Steyn, 2009).

The relationships between NGOs, social movements, CBOs, and the leadership of poor communities also remain complex terrain. The attitude of the state, the penetration of party politics into social mobilisation, the continued demobilising

effects of the current grant and service delivery model, and the dire financial realities and livelihoods dilemmas faced by poor families in South Africa challenge and stretch the building of cross-class and cross-issue alliances. Nevertheless, the significant shift that has occurred in the last year, reported by the majority of interviewees, is that international funders are increasingly interested in the links between NGOs and 'the grassroots' – driven, primarily, by the visibility of the protest described above. While social movements have often required the capacity and stability of NGO support, as outlined above, NGOs are now increasingly in need of formal 'partnerships' with community-based structures (including social movements) to bolster claims of legitimacy. This has raised the stakes and increases the incentives for collaboration these between these two aspects of the sector. It is, therefore, a chance to engage in frank dialogue about the opportunities and dilemmas raised by the need for these partnerships. However, raising the stakes also means raising the possibility of clashes between elements of the sector over claims to legitimacy – illustrated recently by the war of words between the Treatment Action Campaign (TAC) and Abahlali baseMjondolo over strategy and tactics. However, despite these opportunities to forge new partnerships and the need to proactively respond to the rise in dissatisfaction and protests, very few of the organisations interviewed reported repositioning themselves with these factors in mind.

It should also be noted that this general 'shift to the grassroots' has the potential to obscure the importance of the roles played by other aspects of the sector, particularly 'think tanks', in strengthening democratic practice. In detailed research on the impact of foreign aid in contributing to civil society's promotion of democracy in Africa, Robinson and Friedman (2005: 44) conclude that building the

policy research, analysis and advocacy capacity of civil society is an important area for continued support. We must not make the mistake of reducing the complexity of the sector's contribution to a single role or strategy.

Finally, the crisis has undoubtedly created an opportunity to reflect on the role that local and international donors play in supporting and shaping this sector. The long-standing presumption of support based on a compelling enough *raison d'être* seems to have been shattered for good, and organisations in the sector are having to go through processes of reflection and strategic repositioning and diversification. There seemed to be four primary strategies being pursued by NGOs to attract international funding: (1) as noted above, the regionalisation of practice – building on the reputation, experience and institutional capabilities to expand their presence of the organisation into other countries in the region or on the continent; (2) identifying specific focal areas favoured by funders and/or pursuing niche funding; (3) attracting multiple streams of funding for a single project by framing social problems by using a variety of policy discourses (see the discussion about service delivery versus governance above); and (4) some of the NGOs indicated that finding international 'partner' organisations increases the possibility of attracting funding from the national development agency located in their 'partner's' country or continent (a phenomenon known as 'boomerang funding'[17]). However, the danger remains that the suddenness with which a number of organisations in the sector have found themselves in financial straits will result in their 'chasing the money' – resulting in inward-looking practice that reduces their ability to respond strategically to emergent dynamics, 'mission drift' and/or increased competition between organisations in the sector.

CONCLUSIONS, OPPORTUNITIES AND RECOMMENDATIONS

This paper has outlined the convergent economic, political, social and funding-related forces that made the current moment a crisis-induced crossroads for the sector and, after highlighting the diversity of the roles played by NGOs in the sector, has argued that the repositionings currently occurring in the sector, if pursued strategically and pragmatically, can result in a strengthened role for the NGO sector in supporting and democratising systems of governance. Drawing on a number of ideas from the interviews and the analysis presented above, we would also like to highlight the following opportunities and make some recommendations:

- The on-going capacity and financial constraints being experienced by the state at all levels creates the incentive and opportunity to begin to shift the state-centric nature of the current development discourse towards genuine forms of co-production. That is, it is in the interest of both government officials and poor communities to shift away from the current narrow, technocratic 'delivery' model of development to community-directed and driven development. This shift will require the NGO sector to play a more central role in forming and sustaining partnerships between these different stakeholders. These engagements are most likely to be productive in the local sphere until civil society is able to reassert a genuinely counter-hegemonic national presence in decision-making forums.

- Organisations in the sector need to more consciously acknowledge and grapple with the influence of party-politics on their prospects for effective interventions. Explicitly planning for these political currents creates an opportunity for these organisations support the evolution of the politics (with a small p) of communities without

becoming embroiled in factionalism or inter-party contestation.

- Challenges relating to the legitimacy of the representation of community voice, power imbalances, and the ability to attract and the uses of funding will remain a part of NGO/social movement relationships. However, the growth in community dissatisfaction represents rich terrain for new and exciting critical collaborations.

- Members of the sector need to become more aware of the potential for inter-sectoral partnerships to strengthen horizontal learning, improve the prospects for and impact of advocacy, and minimise contestation over resources. A vital aspect of this is recognising the importance and legitimacy of different roles in the sector and supporting the emergence of networks and broad-based partnerships.

- It is essential that NGOs undergo a process of strategically diversifying their funding sources. This includes the pursuit of different sources and models of funding, building productive local and international partnerships to improve the visibility, scale and efficacy of the organisation to compete for contracts, support and funding, and the use of profit-making ventures (such as consulting and training) to cross-subsidise initiatives that are needed but unpopular with funders. Given the ever-growing expectation amongst international funding agents that the South African state and private sector should be able to support local development[18], a sector-wide campaign advocating for more appropriate and reliable funding from state development

agencies and corporate social investment funds[19] is overdue. Improving governance and deepening democracy (in contrast to the current trend towards welfarism) is a natural point of the convergence between the interests of the state and the private sector. Finally, there is ample room for a more transparent and pragmatic exchange between NGOs in the sector and international funders about the effects of current reporting requirements, the possibility of partnering to improve the capacity of NGOs to attain financial sustainability[20], and the need to ensure that organisations are able to respond dynamically to emergent trends (rather than externally defined funding priorities)[21] and can continue to play a critical and strategic role in providing a counter-hegemonic voice to the state and ruling party.

This paper re-emphasises the diversity of important ways that the NGO sector contributes to increasing the accountability and responsiveness of local government in South Africa. It is imperative that the repositionings occurring at the current moment enable the different role players in the sector, and NGOs across the spectrum of different roles and strategies identified above, to recognise and support the contributions of one another to building stronger local democracy. Building strong, pragmatic and critical partnerships between elements of the NGO sector (in spaces such as the Good Governance Learning Network) with the state, political parties, funders and poor communities are essential in order to leverage the opportunities located in this crisis.

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ENDNOTES

[1] The tripartite alliance consists of the ANC, the South African Communist Party and Congress of South African Trade Unions.

[2] Notwithstanding its recent trouncing in the mid-term elections, the Obama administration has been able to pass a raft of social and financial reforms unmatched by any administration over the last fifty years.

[3] We would like to offer our grateful thanks to Hermine Engel (Planact), Peter Kimemia (Afesis-Corplan), Dudu Radebe (Eastern Cape NGO Coalition), Cameron Brisbane (Built Environment Support Group), Ebrahim Fakir (Electoral Institute for the Sustainability of Democracy in Africa), Vuyiswa Sidzumo (Mott Foundation), Russell Ally (Ford Foundation), Stefano Marmorato (Community Organisation Urban Resource Centre), Vernon Weitz (Community Development Resource Association) and Jane Coombe (Black Sash) for their time, contributions to and interest in this research.

[4] The factors mentioned thus far have collectively been referred to as South Africa's "democratic deficit" by a number of commentators.

[5] Some organisations reported that that dissatisfaction, and even protests, in a number of communities had gone unnoticed by national media (and political authorities) *until* they turned sufficiently violent.

[6] He explains that the 'social interests that the neoliberal project was cobbled together to serve - corporate capital, financial elites, the shareholding classes, transnational investors - may have been flushed out into the open, but at the same time they have been reasserting their privileged interests with breathtaking audacity... the most urgent responses were focused on patching up the system of trickle-up economics, in order to insulate the financial regime from future blow-backs (perhaps *especially* from 'below')... Meanwhile, bearers of *social* risk are expected to continue to get by on their own. At all costs, though, they must keep shopping' (Peck, 2010: 108-9; original emphases).

[7] In an interview, Gerry Salole, the Ford Foundation southern Africa representative until mid-2005, said: 'South Africa is phenomenal in its proportion of people who don't report well; we don't make new grants if they don't report or they are late. Often, people have done the work but seem to lose interest in reporting. The list of "expended but not closed" projects is longer in South Africa than anywhere else in the world' (in Ewing and Guliwe, 2008: 270).

[8] This is a dangerous trend if the relationship between 'the poor' and organisations are taken at face value. Böhmke (2010) warns against easy dichotomies between elitist NGOs and 'truly radical' or 'more authentic' social movements: 'we have seen how romanticising [social] movements serves these movements far less well than it serves the romanticisers themselves.

While the original impulses to help may have been noble, there has been a solidification of very real interests behind the way [social] movements… are represented… It may be presented as an ideological battle between principled servants of the poor on the one hand and vanguardist, authoritarian Leftists on the other but, in a sense, the contestation… is far more desperate than that. The professional, political and academic investment [in these movements] is a sort of intellectual Ponzi scheme. We want to believe in it. We are greedy for an example of a successful poor peoples' movement to use as a counterpoint, sound-bite or justification that ruling class hegemony is not as secure as it looks and that the ANC is losing its grip on the national political imagination. But it works only so long as no uncomfortable, pointed questions about returns are asked.' Walsh (2008) points out that the danger is that the 'contradiction between "speaking for themselves" and "speaking on behalf of other poor people", as long as it is done by poor people themselves, is uncritically accepted by the Left and those writing about [social] movement[s]… To insist upon a sacred space of oppression as the only one from which struggle can occur means that there is no genuine political will towards liberation… It is critical to not get caught up in stagnant identity politics and dialectical constructions of "us versus them". If we do, we might overlook the agency working horizontally between and across more obvious forms of resistance. We must begin to recognise the desiring subjectivities that actively subvert, contest and collaborate with the system to stake claims for better lives' (p. 263-4, 267). Different elements of civil society contribute to and intersect with the empowerment of these 'desiring subjectivities' in direct and indirect ways that cannot and should not be easily judged based solely on how close they are to the grassroots. Instead of searching for 'ideal' organisational types and positionings, perhaps our attention should be directed to understanding 'how "uncomfortable collaborations" can burst open geographic and identity-based alliances, de-territotialising groupings around commonalities of desire, struggle and event. These collaborations are not mini-utopias, but sites of friction in which diverse power struggles and contestation at the local and everyday level arise' (Walsh, 2008: 256).

⁹ Although, in practice, many of these organisations have evolved NGOesque structures and face similar dilemmas with regards to accountability.

¹⁰ Accurately differentiating social movements from the formal NGO sector is a difficult task. Barchiesi (2002; in Greenstein, 2003) describes the practice of social movements as 'forms of community self-management, construction[s] of grassroots discourse, direct action in ways that are so rich, plural and diversified to be totally at odds with the hierarchical organisational practices of the traditional Left' (p. 14). Following a similar line of thought, Heller and Ntlokonkulu (2001) argue that 'the effectiveness of a social movement – unlike an interest group – cannot be assessed simply in terms of how it impacts on the state. Social movements often have their most lasting effects in civil society. They can create new identities and new solidarities, they can raise new issues, they can bring new actors into public life. They can, in other words, help constitute and politicise democratic citizens and create new spaces for participation' (p. 10). For a more detailed example see Swilling (2008).

¹¹ Based on the interviews and our own observations we would like to suggest that most organisations have a core or primary positioning but that this does not preclude them from responding to particular contexts by employing the 'mode of functioning' of one of the other positions.

¹² The label 'think tank' remains somewhat out of favour in South Africa (compared, for example, to the US). However, it is the most inclusive and accurate label we could think of for organisations in this part of the sector.

¹³ Although this should in no way be seen as an endorsement of 'philanthrocapitalism' – the belief that business thinking can strengthen philanthropy and the non-profit sector. We agree with Edwards (2009) when he emphasises that

we are convinced that new pathways to social progress can be found in creative encounters between civil society, government, and the market, and … we think this could and should be a genuinely emancipatory project. I share that view, but I also worry that this agenda is being overly-influenced by powerful interest groups in ways that divert attention away from the deeper changes that are required to transform society, screen out difficult but vital questions for research and policy-making, reduce decision-making to an inappropriate bottom line, and lead us to ignore the costs and trade-offs involved in extending market mechanisms into the social world (p. 76-7; added emphasis).

Instead, we use 'entrepreneurial spirit' here far more in the sense that it is used by Spinoza, Flores and Dreyfus (1997) who attempt to move beyond the current economic reductionism associated with the term to argue that entrepreneurship, citizen action and solidarity cultivation can be combined in forms of cultural innovation. For a specific description of the various aspects of this form of entrepreneurial activity see page 50 of their book.

¹⁴ There are, however, two sets of reasons to be cautious about pursuing this as a revenue-generating strategy. First, for a range of reasons including the financial crisis and the political and technocratic shifts and stresses that gave occurred after 2009, government departments have decreased the volume of work and payments to external consultants and service

providers. Second, as a result of this trend, the competition between consulting firms for available work has increased, rendering this terrain even more inhospitable to non-specialists who have other priorities and duties.

[15] There are three interlinked sets of potential dangers associated with this strategy: (1) the state can become the focal point of the organisation's attention rather than 'target' communities (either when completing contracts or competing for future work); (2) the organisation's critical voice or advocacy function is 'blunted' by a desire to maintain favourable relationships with officials; and (3) the organisation experiences 'mission drift' as its practice becomes shaped by the needs and priorities of funders or government officials. However, these are not new problems, nor are they impossible to navigate – many of these tensions have been present in the practice of these organisations in one form or another for a number of years. Indeed, all of the interviewed organisations pursuing such a strategy were fully aware of these dangers.

[16] Heller and Ntlokonkulu (2001) put their warning about non-reflexive partnerships with the state thus: 'If the idea of partnerships tends to underestimate the complexities of engaging the state, it also presumes an alignment of interests and perspectives that leaves little room for the contestation of state power' (p. 58).

[17] Ewing and Guliwe (2008) report that, 'according to the *Reality of Aid* 2004 report, most beneficiaries of technical assistance were experts from donor countries rather than the stated ODA [Official Development Assistance] recipients… It has been estimated that nearly one-third of global ODA goes to consultants. The EU has challenged South Africa's preference for local people to provide the technical assistance on donor projects (p. 257-8; references removed).

[18] A number of interviewees mentioned this trend and it is often repeated in the literature, for example see Ewing and Guliwe (2008: 272, 275).

[19] Although, this needs to be informed by an awareness of the ongoing limitations of the corporate social investment system in South Africa (see Friedman, Hudson and Mackay, 2008).

[20] For more detail see Robinson and Friedman (2005: 43-4).

[21] Ritchie (2010) argues that '[i]n an effort to disrupt the traditional money-based power relationships between 'givers' and 'receivers' in the world of grantmaking and nonprofit funding, donors can be positioned as value-based beneficiaries of organisational work and impact, rather than simply seeing grantseekers as beneficiaries of donor funding. From this perspective, funding is led by a social change agenda, rather than the more-often experienced relationship of 'social change' being led by a funding agenda.'