

ARE NGOS BENIGN OR BAD: A LITERATURE SURVEY ON NEGATIVE ASPECTS OF NGOS

Ismayil P & A. Hidhayathulla

Associate Professor, Department of Economics, Jamal Mohamed College, Tiruchirappalli, Tamil Nadu, India

Received: 08 Aug 2018

Accepted: 03 Oct 2018

Published: 13 Nov 2018

ABSTRACT

The number of NGOs (Non-governmental organizations) is phenomenally increasing day by day. The term NGO embraces a wide variety of organizations. Private corporations and the government are the chief financing agents of the NGOs. This literature review paper on negative impacts of NGO activities concludes that the government and private corporations are the major funding sources of the NGOs. They are ominously funding the activities of NGOs. The NGOs are in the service of the governments and private corporations in capitalist and imperialist countries for undermining the revolutionary sentiments of the people.

KEYWORDS: *NGOs, Capitalism, Imperialism*

INTRODUCTION

The NGOs are having a long historical root. Even before the onset of the modern era, religious orders, missionary groups, merchant associations and scientific societies engaged in activities crossing continents. Many of these bodies – including Roman Catholic Monastic orders and Sufi tariqahs – survive to the present day [1]. So, these bodies were the former forms of NGOs. The term NGO embraces a wide variety of organizations. However, for the purpose of this study, NGOs will mean ‘exogenous or indigenous voluntary private non-profit organizations that are engaged in relief, rehabilitation and development programs using finance raised from voluntary, private sources, donor agencies and managing themselves autonomously at local, national and/or international levels’. NGOs are attaining an enormous important role in society, especially among poor people. Some argue that NGOs are efficient and effective entities responding to the problems of poor people at the grass-roots level. There are others who argue that the NGOs serve the commercial interests of the donor firms with a clandestine design. The funding firms use the NGOs strategically wherever market penetration and expansion is difficult. This view is reinforced by the fact that private firms expect the highest return from every unit of money they spend as also by the fact that they won’t incur a spending when there is no chance for a return. So the role of NGOs and their activities nowadays is seen with a suspicion. Since there is a substantial body of literature on positive aspects of NGOs, plenty of literature is available on studies apprising the positive side of the NGO activities, those who studied the negative side are scanty and the expert views against the NGOs are rare. This paper attempts to bring out the literature on negative aspects of NGOs. The rest of this paper is divided into four sections. The second section presents the meaning and modus operandi of NGOs. The third section discusses suspicion in the sources of finance of NGOs. The fourth section explains the undermining of revolutionary sentiments by NGOs and some voices of

dissent against NGOs. The fifth section gives a conclusion.

MEANING AND MODUS OPERANDI OF NGOS

The NGOs (“Non-Governmental Organization”) are voluntary, non-profit private organizations whose diverse activity aims towards change, support or promotion of different social issues [2]. There are wide variations in the structure of NGOs among the countries according to the legal structure of the country they operate in. According to Siegel and Yancey [3], the functions and services of NGOs could be ‘expressing and addressing the complex needs of society’, ‘motivating the individuals to act as citizens’, ‘promoting pluralism and diversity’, and ‘creating an alternative to the centralized state’. According to Korten [4], NGOs was the earliest form of human organizations ‘long before there were governments’. According to the Courier Report (1987) for an organization to be an NGO in the true sense, it should be autonomous, neither depending substantially on the state for its funds secondly, non-profit making, and the major part of its funds should come from voluntary contribution. Some NGOs direct their action toward clearly defined problems of society, while others act with much broader agendas. Some have objectives which are merely charitable, while others shape their efforts in a more political fashion. To understand the role and function of NGOs, it is necessary to examine their historical roots. Many NGOs are involved in what can be termed ‘care and welfare’ [5]. The second historical root of today’s NGOs is addressing the deeper causes of disadvantage by advocating change and raising public awareness of issues. When NGOs were largely concerned with care and welfare activities they carried out their activities in fields where the government did not or was unable to operate.

NGOs are considered “potent forces for social and economic development; important partners in nation building and national development; valuable forces in promoting democracy”. The growing importance of NGOs in the modern world has also been seen as a problem in many developing countries. It is seen that as new global issues and trends have brought NGOs onto the center stage. NGOs are seen as a response to the collapse of traditional structures and to be powerlessness of central government.

Edwards and Hulme [6] evaluate, NGO expansion is seen as complementing the counter-revolution in development theory that underpins the policies of liberalization, state withdrawal and structural adjustment favored by official donors. NGOs are viewed as the ‘private non-profit’ sector, the performance of which advances the ‘public-bad’, and ‘private good’ ideology of the new orthodoxy [7].

According to Moore [8], NGOs are supposed to act as a counter-weight to state-power protecting human rights, opening up channels for communication and participation, providing a traininggrounds for the social activities and promoting pluralism [9]. In this process, NGOs are also seen as an ‘effective vehicle for the delivery of the agenda’s economic and political objectives’ [10] or ‘agents of filling gap left by government’ [11].

Gideon [12] points out that the neo-liberal model states that the statecentered development is not productive since it has resulted in inefficient resources allocation and there is not sufficient economic incentive for public sector management to remedy the situation. Many NGOs are now directly taking on functions that were previously carried out by the state. This has also had direct implications for NGOs as a result of their supposed advantages. The NGOs thus consider themselves to be the third sector or the third factor to form the public sector and to impact the political and social policies because many activities which are done by NGOs are similar to what is done by the government sector.

NGOs appear to have a contradictory role in politics. On the one hand, they criticize dictatorships and human rights violations. On the other hand, they compete with radical socio-political movements, attempting to channel popular movements into collaborative relations with dominant neo-liberal elites.

The NGOs are independent of the government, which is inconsistent with the fact that the majority of NGOs use government funds for at least some of their projects. The NGOs are classified into various forms such as charitable organizations, service-oriented NGOs, participatory NGOs, empowering NGOs, local, national and international NGOs etc. This reveals that NGOs are completely free from the government but they partly depend on the governments for their funds to undertake various services.

There are two main financial supporters of the NGO sector on a global scale. They are the private corporations and the government. However, smaller proportions of the funds also come from religious organizations, mainly Christian, Muslim and Jewish. On a global scale, almost every private multinational corporation that we have heard of has formed their own foundation to finance the NGO sector.

A ROOM FOR SUSPICION IN THE SOURCES OF FINANCE OF NGOS

The mammoth growth of NGOs is not possible without financial patronage. Finance is a precious resource. The principles of Finance offer a dictum that private corporations and the governments are prudent in utilizing funds. Defying this, they allocate huge funds to NGO activities. This prompts us to suspect the motive of extending rapidly growing funding support to this sector. This section reviews the critical views of the research studies on the financial sources available to NGOs. According to Crn Blok, corporations not only finance NGO projects surrounding the “care for the community”, but also invest even more in spreading the “political” NGO sector, through which they can impose their own agendas for sustaining the status quo of the society as it is. Governments also mostly direct their funds towards this kind of NGOs.

Another fact is that corporations finance projects for helping the poor, the children, the sick and other vulnerable groups, or rather for protecting the environment in order to build an image among public and to use that image to encourage people to buy more of their product and increase their profits. This shows that even if the corporations finance projects, their commitment is not on helping the poor, but they aim at flourishing their business.

Another important observation is that with the short-term help, the corporations only keep the status quo in the undeveloped regions of the world, making them dependent on western help while the imperialist forces continue to rob their resources, leaving them unable for any kind of development.

The capitalists finance the NGO sector to strengthen the position of their business and to secure more future profits. In other words, it is indirectly an investment, but this income doesn't come back to capitalists directly as profits, but in long-term, it brings bigger and more secure profits, which is how the NGO sector helps to keep capitalism alive.

The NGOs also receive financial assistance from the government. A large amount of money used by the NGOs are coming from government funding. Governments, much like corporations, expect the same thing in return. The sole purpose of the existence of the state is to protect the rich and their position in society, with the help of its mechanisms of repression and its monopoly on violence. On one side many developing countries' governments are actively seeking ways

to encourage more NGO action, On other side, other countries are suspicious about NGOs and their self-appointed role as agents of change. According to Williams the growth of NGOs often poses a dilemma for the state, especially in societies where voluntary associations did not play a formative role and where the state predetermined. The NGO sector is, in fact, one of the many mechanisms the State is using to enforce its dominion and to justify its existence. The riot is the greatest fear of every government, and modern governments know that suppressing of massive riots can only further ignite people's anger and endanger the domination of the State. That is why the modern government has come up with a more subtle solution of instead of waiting for a riot to come and then deal with it violently, allow the masses to "fight" with a harmless weapon – that weapon being the NGO sector [13].

He also describes in his article about the motives of the NGO activists. Here he draws some facts like volunteers do not engage in NGO activities for free. Some expect benefits like compensation to their engagement, attaining skills, working experience, and valuable contacts to serve their future career. Some who work hard hope that they will get a higher position in their NGO and start getting paid. Some see participation in NGO projects and volunteering as an activist as "virtues" that are proudly pointed out in curriculum vitae, and every company takes those activities into consideration very seriously when they appoint employees into their firm [14].

The author also points out some unholy collaboration done among government and NGOs. He draws a case in Ghana in the mid-1990s, where NGO-The 31st December Women's Movement-diverted huge sums of aid money to the ruling NDC government to pay its election campaign bills. Another example of this government/NGO collaboration is the issue of World Vision International helping the Honduran government to track down and kill suspected dissidents. In 1989, for instance, when Oxfam advocated sanctions against the apartheid regime in South Africa, it (Oxfam) was censured by the England and Wales Charity Commission for contravening UK charity law. In a similar fashion, NGOs are acting as promoters of big business through the purchase of (sometimes expired) drugs and food and obsolete or faulty machinery. It is on record for instance that Bob Geldof's Band Aid wasted \$4 million in purchasing eighty unusable lorries from a Kuwaiti business group and dumped the junk as an aid to Sudan.

The author states facts related to their source of funds. Even though individuals filled with fellow feeling donate to NGOs to assist the needy, a major portion of fund come from owners of capital, corporate bodies, and governments. These donations received from these sources are mainly for shutting their mouth against them since one does not bite the finger that feeds one. Here NGOs will be ready to compromise with any issue and to support those who provide a major donation to them. Such tendencies reduce many NGOs to a complete business enterprise where "profit" is a major concern. Besides, NGOs spend huge sums on advertisements to attract fund. Sometimes this is done through some dishonest methods. For this purpose, they conduct fundraising programmes in the name of downtrodden people exaggerating the plight of "vulnerable groups" and telecast the same. In this business, NGOs use the misery of the downtrodden just as the commodity.

The result of this type of business-oriented voluntarism resulted in the emergence of more NGOs on one side, While the loss of credibility of NGOs on another side. Some instances are put forward by Nbang-Ba Suhuyini for supporting this argument. The imprisonment of Allan Boesak in South Africa for embezzling NGO funds is only the tip of the iceberg. There is also the case of International Christian Aid (ICA) a US-based NGO, which was accused, in 1985, by

the UN and the US State Department of failing to send anything to Ethiopia though it had raised \$18 million for famine there. The author quoted this from the Daily Mail, 14 January 1985 news item.

Another fact to be noted are NGO activities in poor southern countries never approach education, shelter, food, clothing, healthcare, etc with a view to finding a lasting solution to them. NGOs are mainly involved with the organization of seminars and talk-shops on such superstructural issues such as female circumcision, the empowerment of women, prostitution, drug abuse, etc. Most of the relatively few projects end up as white elephants or never even get complete. The author concluded that even though the number of NGOs is rising, ignorance, homelessness, hunger, poverty, disease, etc could not bring under control.

Despite the fact that most NGO activists genuinely believe they are merely facilitating the empowerment of the poor, in practice NGOs mainly fail to do this because they reject organized political agitation [15]. This can be demonstrated by two examples. The first comes from the activities of NGOs in the Thai urban labor movement. The second example comes from the Assembly of the Poor, which is a mass social movement of the peasantry in Thailand. The NGOs, therefore, are in the service of the governments and private corporations in capitalist and imperialist countries for undermining the revolutionary sentiments of the people because the revolution would change the economic system of these countries that would eradicate poverty of the people. Therefore, it is understood that the governments and private corporations in capitalist countries are ominously funding the activities of NGOs. Under capitalism, it seems NGOs have to be more committed to those who fund them, than to those who seek to help [16].

The apparent collusion between NGOs and neo-liberalism conclude that NGOs are local agents of imperialism. Massive foreign funding, often from Western governments is being received by NGOs [17]. NGOs' 'apolitical posturing' reinforces the neo-liberal agenda to unjustly accuse many NGOs of deliberately acting as 'grassroots reactionaries' channeling neo-liberalism down from the World Bank or the IMF to the people's sector for the benefit of imperialism [18]. Sometimes, the foreign NGOs come with "packaged" agenda which they want local NGOs to simply implement. Some of the foreign NGOs have ulterior motives such as creating social space for themselves, hence permanent employment for their staff. Others argue that some NGOs do not wish to solve a problem completely because if they do, they push themselves out of existence [19].

NGOS AND UNDERMINING OF REVOLUTIONARY SENTIMENTS

Deprivations of basic needs are inevitable under capitalism. It causes anger among people. The perpetual spread of deprivation aggravates the situation when the governments in the capitalistic countries fail to eradicate it. This ends up in arousing revolutionary sentiments among the people. The governments and private corporations resort to divert and nullify the anger and revolutionary sentiments by the activities of a third agency called the NGOs. McMillan, Vincent Kelley, and CounterPunch share their experience with a Bangladesh Organizer and reveal their view on NGOs. They say that NGOs are far from revolutionary organizations, it seemed dogmatic to accuse free health care and anti-poverty programs. NGOs have spread across the globe. NGOs can be a very destructive tool because NGOs are far from revolutionary organizations. Several NGOs organize different activities like call masses into the streets, some announce for a meeting to follow up and continue the struggle. Some activists open with radical language and offer to provide training and a regular meeting space.

They quoted, once Black Panther George Jackson urged revolutionaries to go to the masses in order to “contribute to the building of the commune, the infrastructure, with pen and clipboard in hand. The authors find that activism is being capitalized and professionalized. They criticize that instead of organizing the masses to fight for their interests, NGOs use them for their own benefit and instead of building a mass movement, NGOs manage public outrage. They say that sometimes NGOs act as a tool of imperialism [20].

They point out Haiti as the most extreme example of NGO complicity in imperialist aggression. NGOs play a vital role in Haiti. It is revealed by the following fact that there were already 10,000 NGOs in the country before the 2010 earthquake, more per capita than anywhere else in the world. 99 percent of earthquake relief aid was funneled through NGOs and other agencies. They also observe that NGOs undertake works what the state should be doing. “Aid” agencies funded by capitalist or imperialist institutions have taken over key functions of states in dominated countries. NGOs opened up many employment opportunities for college graduates, emerging with degrees in the humanities and social sciences. Channeling the fight against the worst effects of capitalism through NGOs hides the central contradiction of capitalism.

Nbang-Ba Suhuyini [21] evaluates Non-governmental organizations come as an assistant where governments fail and say that many of them are now shifting their focus to the economic development of poor countries. But according to him, the main thrust of NGO activity is still within the framework of alleviation and not the eradication of poverty. According to his view governments, big business and NGOs constitute the three sides of a triangle. The three are one and their efforts are complementary. He observes whilst governments keep the people in check with their armies, police, prisons, the judiciary, etc, the capitalists rip us off through exploitation and retrenchment. The NGOs then intervene to soothe, console and cajole the victims with sweets and second-hand (discarded) materials.

Some Voices of Dissent against NGOs

As the published research reports relating to the bad side of the NGOs are scarce the views of experts may be taken in to account to understand the other side of the NGO movement. Issa G. Shivji [22] is one of Africa's leading experts on law and development issues as an author and academic says that the sudden rise of NGOs is part of a neoliberal paradigm rather than pure altruistic motivations. He criticizes the current manifestations of NGOs wanting to change the world without understanding it, and that the imperial relationship continues today with the rise of NGOs.

James Pfeiffer [23] states about the negative impacts that NGO's made on areas of health within the country. He argues that over the last decade, NGO's in Mozambique have "fragmented the local health system, undermined local control of health programs and contributed to growing local social inequality".

The philosopher Peter Hallward [24] argues that NGOs are an aristocratic form of politics. He also points to the fact that NGOs act like Action Aid and Christian Aid against an elected government in Haiti and argues that they are the "humanitarian face of imperialism."

Another criticism of NGOs is that they are being designed and used as extensions of the normal foreign-policy instruments of certain Western countries and groups of countries. Once Russian President Vladimir Putin accused at the 43rd Munich Conference on Security Policy in 2007, concluding that these NGOs "are formally independent but they are

purposefully financed and therefore under control.

In reality, non-governmental organizations are not non-governmental. They receive funds from overseas governments or work as private subcontractors of local governments. Frequently they openly collaborate with governmental agencies at home or overseas. The NGOs cannot provide the long-term comprehensive programs that the welfare state can furnish. Instead, they provide limited services to narrow groups of communities. Their programs are not accountable to the local people but to overseas donors. NGOs shift people's attention and struggles away from the national budget and toward self-exploitation to secure local social services. This allows the neoliberals to cut social budgets and transfer state funds to subsidize bad debts of private banks and provide loans to exporters. Self-exploitation (self-help) means that, in addition to paying taxes to the state and not getting anything in return, working people have to work extra hours with marginal resources, and expand scarce energies to obtain services that the bourgeoisie continues to receive from the state.

The chief scientist at Greenpeace Doug Parr complains against NGOs such as these organizations appear to have lost their efforts in being truly scientific and now seem to be more self-interested. Rather than operating through science so as to be rationally and effectively practical, NGOs have been utilizing science to gain their own advantages.

Today, Non-Governmental Organizations (NGOs) attempt to replace religious institutions for deflecting the discontent of their subordinates away from themselves. NGOs disrupt the creation of popular movements leading and creating micro-projects, political movements and providing popular education on behalf of their corporate funders. Even though there has been a number of NGOs over the past decades, they could not reduce the structural poverty which affects the weakest. NGOs claim to represent civil society acting as a third alternative to the state and the private market. NGOs attempt to deflect public anger from these individuals and rather channel it on behalf of their corporate funders against state institutions and public programs. NGOs stand to gain from funding agencies and to provide inferior services to mitigate public anger. NGO sector never is an effective alternative "panacea" to the state. It is worthless to argue that in absence of the state, there seems to be a viable alternative. The above views are reinforcing the arguments presented in the previous sections about the negative side of the NGOs.

CONCLUSIONS

The NGOs have emerged as the third major player next to the government and private corporations in the capitalistic countries. The government and private corporations in the capitalistic countries are the major sources of finance funding the NGOs. They are ominously funding the activities of NGOs. The NGOs, therefore, are in the service of the governments and private corporations in capitalist and imperialist countries for undermining the revolutionary sentiments of the people because the revolution would change the economic system of these countries. It is important to remember here that a change in the economic system would eradicate the poverty of the people.

REFERENCES

1. Thomas Davies, (2013), *NGOs: A Long and Turbulent History*, *The Global Journal*, <http://www.theglobaljournal.net/article/view/981/>
2. Crn Blok, *The NGO Sector: The Trojan Horse Of Capitalism*, (p.3-6)

3. Anthony JN Judge, *NGOs and Civil Society*(1994)
4. David C Korten, *Getting to the 21st Century: Voluntary action and the Global agenda*, Lynne Rienner Publishers, 1990
5. David C Korten, *Getting to the 21st Century: Voluntary action and the Global agenda*, Lynne Rienner Publishers, 1990
6. Edwards M, Hulme D. (eds) 1992. *Making a Difference: NGOs and Development in a Changing World*, Earthscan: London.
7. Edwards M, Hulme D. (eds) 1992. *Making a Difference: NGOs and Development in a Changing World*, Earthscan: London.
8. Mick Moore, *Corporate Governance for NGOs*
9. Mick Moore, *Corporate Governance for NGOs*
10. Hulme D, Edwards M. (eds). 1997. *Too Close for Comfort? NGOs, States and Donors*. Macmillan: London.
11. Farrington J. and D. Lewis, *Non-Governmental Organisations and the state in South Asia*(1994)
12. Gideon, *Two Civil Societies and one State*, 1996
13. Crn Blok, *The NGO Sector: The Trojan Horse Of Capitalism*,
14. Crn Blok, *The NGO Sector: The Trojan Horse Of Capitalism*,
15. Ji Giles Ungpakorn *NGOs: enemies or allies? Issue: 104 Posted on 9th October 2004*
16. Feyzi Ismail, *The Political Economy of NGOs - November 24, 2011, Published in Book Reviews*
17. James Petras, *Imperialism and NGOs in Latin America - December 1997 (Volume 49, Number 7)* [<http://monthlyreview.org/1997/12/01/imperialism-and-ngos-in-latin-america/>]
18. James Petras, Dept. of Sociology, Binghamton University, *NGOs: In the Service of Imperialism*. Journal Title: *Journal of Contemporary Asia*. Volume: 29. Issue: 4. Publication Year: 1999. Page Number: 429.
19. Sabiti Makara, *NGOs In Uganda: Their typologies, roles and functions in governance*, Centre for Basic Research Kampala, Uganda
20. Hafsa Hussain et al., *Microfinance NGOS in Pakistan: Outreach and Sustainability*, *International Journal of Accounting and Financial Management Research (IJAFMR)*, Volume 8, Issue 2, May-June 2018, pp. 17-26
21. Stephanie McMillan, Vincent Kelley and Counter Punch in their article *How Many NGOs Serve Capitalism and Imperialism*, October 20, 2015 (p.1-5)
22. Nbang-Ba Suhuyini in his article *Capitalism rips us off, NGOs soothe the pain*(p.1-4)
23. Issa G. Shivji is one of Africa's leading experts on law and development issues as an author and academic criticizes NGOs through his essays: "*Silences in NGO discourse: The role and future of NGOs in Africa*" and

"Reflections on NGOs in Tanzania: What we are, what we are not and what we ought to be"

24. James Pfeiffer, *Case Study of NGO Involvement in Mozambique*

25. [<http://www.alternet.org/world/how-many-ngos-serve-capitalism-and-imperialism>]

26. Peter Hallward, *Damming the flood, Haiti, Aristide, and the Politics of Containment*, Verso, 2007

