

Taming the NGOs: An Epic Fight

BY NEIL HRAB

NGOs are strong - so strong that some commentators call them the "second superpower." Over the last 10 years, the NGO movement has become so influential that many governments and corporations alike now tremble at the thought of offending its members. But this may be about to change. The movement faces mounting pressures to become more accountable and more transparent. In this article, we will look at some of the factors driving this push to set certain ground rules for NGO participation in global political life.

Up until recently, NGOs were not subject to much scrutiny. Many policymakers and analysts routinely assumed that NGOs acted only out of purely idealistic motives. This passive acceptance is yielding to a wish to study NGO activities in greater detail, to ensure that they are held accountable to certain standards of conduct. July 2003, for example, saw the release of a UN-sponsored report on NGOs which recommended non-governmental groups make themselves more accountable to the larger community. John Elkington, a co-author of the report, went so far as to say that "unless [NGOs] recognize and address growing financial, competitive and accountability pressures,

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their impact will be significantly reduced." The UN report echoes in part the recommendations made in a book published in 2000 by international development expert Michael Edwards. In his *NGO Rights and Responsibilities*, Edwards calls for NGOs to make themselves more accountable for their actions by agreeing to operate in a more open way.

It is not only policy analysts who are re-thinking their attitudes towards NGOs. Another factor behind the drive for greater accountability from NGOs comes from the academy.



Activists in a passive society - setting the agenda

Like their colleagues in the policymaking sphere, there was a time when university professors simply assumed NGOs to be totally benevolent entities that could do no wrong. This lack of skepticism is giving way to a new desire to scrutinize NGO activity. A good example of this can be found in the form of a scholarly paper published in Dec. 2003

at a time "when further development [in poor countries] is desperately needed, especially in Africa."

Delaying Bank decisions

Another unintended consequence of the NGO assault on the Bank, according to Linaweaver, is that some developing countries have decided to avoid using the Bank's lending services altogether. This is because these countries are irritated at the way NGOs can delay the Bank's decision-making process. He cites the example of Uganda, which applied to the Bank for assistance building a hydroelectric project in 1994. Western NGOs have held up the Bank's decision-making process so long that the Ugandans (in the words of one leader) are now sick of this "waste of time." In 2002, the president of Uganda pointedly informed NGOs that the project "will be built, whether it is by the World Bank or by ourselves." (The project remains in limbo.) A similar sequence of events in 1993 led to the government of India angrily vowing to self-build a dam that Western NGOs had also opposed. When poor countries turn to alternative sources of financing,

they may decide to dispense with the sort of stringent environmental impact evaluations required by the Bank. Ironically, by driving away customers from the World Bank, NGOs may be reducing the chances that poor countries will take such impacts into account when undertaking major infrastructure projects. The NGO attacks on the Bank may therefore actually be fueling greater environmental degradation rather than reducing it.

Competition props

A third factor behind the push to increase NGO accountability comes from the business community. Private companies are becoming more and more aware of the way competing firms sometimes cooperate with NGOs as props in the never-ending struggle for market share. Innovative scholarship by university professors is stimulating this heightened awareness. Take the work of Jarol B. Manheim, a professor of communications at George Washington University in Washington, D.C. In his superb book *The Death of a Thousand Cuts: Corporate Campaigns and the Attack on the Corporation*, Manheim studies the attack on the

software giant Microsoft by competing businesses and non-governmental organizations in the late 1990s. He sketches out evidence suggesting that these NGOs and private businesses - "each acting for [their] own purposes came together, if not purposefully at least not entirely through inadvertence, to pressure Microsoft."

Prof. Manheim's work on Microsoft recalls some similar analysis penned in 2001 by Alan Rugman, an Associate Fellow of Templeton College, University of Oxford.

In an article for the

Financial Times, Prof. Rugman predicted a greater demand for NGO transparency by private companies. One of the things driving this, he wrote at the time, would be the realization that some corporations harness NGOs to anti-competitive ends. For example, Prof. Rugman observed that "the interests of quasi-protectionist corporations and NGOs are often aligned." He cites how, in the late 1990s, American forestry companies benefited when NGOs such as Greenpeace attacked logging practices in Canada (a major competitor) and encouraged a boycott of Canadian lumber products. Rugman uses this as an example of how, with assistance from NGOs, "environmental issues can be twisted to keep out more efficient foreign competitors." The companies on the receiving end of these NGO attacks are sure to echo the growing calls for greater transparency from NGOs, to deter or at least limit such practices in the future.

Greater skepticism on the part of policymakers towards NGOs. More careful analysis of the consequences of NGO action by academics and the business community. Taken together, these trends represent unprecedented pressure for greater accountability from NGOs. The tug of war between these forces, and the desire of NGOs to continue to exempt themselves from having to account for their actions, has all the makings of a mighty battle.

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