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THE STATE AND THE VOLUNTARY SECTOR

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The Relationship Between the State and the Voluntary Sector

by
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Abstract

In some countries, nongovernmental organizations (NGOs) are major contributors to development processes. This is not uniform, however. In a number of countries, NGOs are weak or play more of an oppositional rather than operational role and governments are highly suspicious of them. A number of factors influence the development impact of NGOs; many of which are determined by the relationship between the NGO sector and the State.

This paper describes the characteristics of this relationship, concentrating on issues which affect the efficacy of NGOs, the attainment of governments' poverty reduction and other social objectives, and collaboration between NGOs and the public sector. It explores the main elements of government policy and practice which affect NGOs and which could foster a more conducive environment for positive NGO contribution to development. A study series is proposed to examine these issues in a range of countries. The studies will feed into a synthesis report (to be prepared in FY95) which will indicate areas of "best practice" of relevance to poverty reduction, participatory development and "good governance."

The principal avenues by which governments can influence the operational environment for NGOs are:

a. Nature and quality of governance (pluralism, accountability, etc.).

b. The legal framework (registration, reporting requirements, etc.).

c. Taxation policies (on imported goods, local philanthropy, etc.).

d. Collaboration with NGOs (when? sector? nature of partnership?).

e. Public consultation and information (policy impact of NGOs).

f. Coordination (role for governments in coordinating NGO activities).

g. Official support (government funding, official contracts).

The proposed studies will be designed and planned in conjunction with the relevant Country Department to yield program-related information for that country of value to the government, the Bank, donors and NGOs, and also to reveal lessons of wider applicability. Country Departments who wish to consider conducting a study in this series are invited to request a copy of the Initiating Memorandum on NGOs and the State-Study Series from OPRIE.
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Introduction

Could the contribution of the voluntary sector to development be more fully realized, given the current emphasis on poverty reduction and the environment?

Optimal development requires the harnessing of a country's assets — its capital, human and natural resources — to meet demand from its population as comprehensively as possible. The public and private sectors, by themselves, are imperfect in that they cannot meet all demands. Which interest groups are heeded or neglected will be determined by a combination of economic and political considerations. In particular, those whose voice and purchasing power are weak, and those whose interests are on long term goals rather than immediate needs, are more likely to be neglected.

When a government endeavors to give greater weight to reducing poverty, to redressing gender or ethnic biases, to combating environmental degradation or to strengthening the more vulnerable regions, it is likely to find the current development mechanisms inadequate. Economic policy, the provision of services and infrastructure, regulations and market mechanisms are rarely targeted towards vulnerable groups.

Many argue (OECD 1988, Elliott 1987, Fernandez 1987, Garilao 1987) that the voluntary sector may be better placed to articulate the needs of the weak, to provide services and development in remote areas, to encourage the changes in attitudes and practices necessary to curtail discrimination, to identify and redress threats to the environment, and to nurture the productive capacity of the most vulnerable groups such as the disabled or the landless.

The strength of the voluntary sector differs among countries. However, a strong voluntary sector does not guarantee a high degree of interaction among the various organizations. There can be a rigid divide between voluntary organizations and the public and private sectors.

It appears (Tandon 1991) that where the interaction is high the climate is most favorable for poverty reduction and other social priorities, though cause and effect may be difficult to separate. Whether a strong nongovernmental organization (NGO) sector encourages governments to pursue such priorities, or assists them attain their objectives, this vehicle of civil society has potential importance which has hitherto been largely neglected.

In many countries the voluntary sector concentrates on operating its own projects (Fowler 1992, Bratton 1988 and 1990), improving the situation in microregions but doing little to bring its experience to bear on the government's service delivery or policy making. These projects may be laudable, and their worth to the communities served should not be ignored, but their contribution to the stock of development know-how is meager. A sizeable voluntary sector which also interacts with the public and private sector, is able to achieve a significant multiplier effect on its own efforts (Bratton 1988 and 1990).

Such "scaling-up" has been the subject of considerable study in recent years (see for example, Gordon Drabek 1987 for a report on the London Conference and ANGOC 1989 for a report on the Manila conference and Hulme and Edwards 1992). These studies have shown
that — in addition to increasing its size (in other words, building up an alternative provider of services or development) — the voluntary sector can influence main-stream development in the following ways (Clark 1991):

a. encouraging official aid agencies and government ministries to adopt successful approaches developed within the voluntary sector;

b. educating and sensitizing the public as to their rights and entitlements under state programs;

c. attuning official programs to public needs by acting as a conduit for public opinion and local experience;

d. operational collaboration with official bodies;

e. influencing local development policies of national and international institutions; and

f. helping government and donors fashion a more effective development strategy through strengthening institutions, staff training and improving management capacity.

Traditional NGO activity has concentrated on the "supply side": delivering services, providing development programs, or assisting official bodies to increase the spread of their own programs. Much of the literature and pioneering work of operational NGOs now concentrates on what could be called the "demand side": helping communities articulate their concerns and preferences, maneuvering into a negotiating position with official bodies in order to amplify that "voice," and mixing technical operational skills with "information age" communication, advocacy and networking skills both to give power to and to enhance the existing power of poor people. The literature which describes this evolution (Tandon 1992, Clark 1991, Hulme and Edwards 1992) talks of NGOs becoming important agents of the civil society. This attention to the development demand side is a micro-level reflection of "governance." The pillars of the latter — greater participation in political decision making, transparency, accountability, freedom of expression, etc. — all have their counterparts at the local level in the grassroots mobilization efforts of NGOs.

Where the voluntary sector has a good record, the objectives listed above can be clearly beneficial, though there may also be costs. This paper aims to explore these benefits and costs, to analyze why it is that the potential benefits are frequently not realized, and to consider ways of enhancing this contribution.

In this paper, we focus on nongovernmental organizations which work in (a) relief, (b) development, (c) environment, (d) welfare, and (e) human or civil rights. We will also, for the present, assume definitions offered by Salamon and Anheier (1991 and 1992) restricting our
attention to organizations which are (a) formally constituted, (b) nongovernmental, (c) self-governing, (d) non-profit (i.e. not organized chiefly for business purposes), (e) not overly partisan (in a party political sense), and (f) characterized by some degree of voluntary involvement. This is a broad base including international, national and grassroots organizations; special interest organizations, networks, service providers and public service contractors; funding, operational and advocacy NGOs; professional associations, community associations, cooperatives and membership organizations of the poor, and many other categories.

It is important to distinguish between membership and non-membership NGOs. The former (including organizations which are not formal membership bodies but which defacto represent a sizeable constituency) may play an important role in democratization processes. They usually provide a service which is regarded as a priority by its members. The differences between the two categories of organization as well as the relationships between them merits study. Similarly, the difference between characteristics of national level and community-based NGOs is important. Some countries, such as Paraguay, where national level NGOs have until recently not been welcomed have a healthy tradition with respect to community-based NGOs.

The sectoral polarizations of the NGO community will vary considerably from country to country. NGOs concentrate on issues which are unique to each individual country, for example, income generation activities, environmental concerns, or support for and mobilization of the landless. The relationship between international organizations and national NGOs is also defined by the characteristics of the specific country; in some countries, intermediary or umbrella organizations provide intellectual and operational leadership.

The following sections discuss the potential contribution of NGOs; the elements of a healthy State-NGO interaction; the barriers to this interaction from both the government and NGO sides; and the factors that might help foster a more enabling environment.

Potential Contribution of NGOs

NGOs have become important actors in development assistance for at least three reasons:

- First, because of their scale. In 1989, they contributed US$6.4 billion to developing countries (including $2.2 billion of official funds), representing some 12 percent of total development assistance (Bebbington and Farrington 1992a and 1992b).

- Second, because of their style of work. Many NGOs have demonstrated an ability to reach poor people, work in inaccessible areas, innovate, or in other ways achieve things which are difficult for official agencies (Tendler 1982).

- Third, many of them represent poorer people. Many NGOs have close links with poor communities. Some are membership organizations of poor or vulnerable
people. Others are skilled at participatory approaches (Bratton 1988 and 1990).

Moreover, their resources are largely additional, they complement the development effort of others, and they can help to make the development process more accountable, transparent and participatory. They not only "fill in the gaps" but they also act as a response to failures in the public and private sectors (de Tray 1990, Salamon and Anheier 1991 and 1992, Bratton 1990).

The NGO attributes cited above have become increasingly important in recent years as:

a. Official aid agencies and many governments seek to give greater attention to assisting women, the food insecure, indigenous peoples, AIDS sufferers/orphans and other vulnerable groups, which NGOs are better able to reach (Bebbington and Farrington 1992a and 1992b).

b. Long experience of work with communities living in environmentally sensitive areas (including forests, desert margins, urban slums, etc.) provides NGOs with certain comparative advantages in dealing with environmental issues.

c. There is a more clearly recognized need for pluralism and prominent citizens' voices in national development planning. NGOs can contribute to this in many ways including, at the local level, by the promotion of grassroots mobilization for social change (Clark 1991) or participatory development (Bhatnagar and Williams 1992).

d. There is increasing realization of the need to "roll back the State" in many countries where it has become over-extended. This gives greater prominence to the private and voluntary sectors.

e. The rapid growth in numbers of NGOs — many highly-specialized or localized — which gives donors a wide choice of partners and considerable influence over those partners in many countries. This proliferation is highly country-specific.

Donors find NGOs attractive for widely differing reasons: they act as a complement to the state; they respond to failures in both the public and private sectors; or they may be from the donor's country (or partnered with an NGO which is), which heightens trust and national interest.

A Healthy State-NGO Relationship

A healthy relationship is only conceivable when both parties share common objectives. If the government's commitment to poverty reduction is weak, NGOs will find dialogue and collaboration frustrating or even counter-productive. Likewise, repressive governments will be wary of NGOs which represent the poor or victimized. In such situations, NGOs will probably
prefer to chart their own course, giving all instruments of the state as wide a berth as possible.

Where the government has a positive social agenda (or even where individual ministries do) and where NGOs are effective there is the potential for a strong, collaborative relationship. As Tandon (1991) clarifies, this does not mean the sub-contracting of placid NGOs, but a "genuine partnership between NGOs and the government to work on a problem facing the country or a region... based on mutual respect, acceptance of autonomy, independence, and pluralism of NGO opinions and positions."

However, as Tandon points out, such relations are rare, even when the conditions are met. The mutual distrust and jealousy appears to be deep-rooted. Government fear that NGOs erode their political power or even threaten national security (Fowler 1992). And NGOs mistrust the motivation of the government and its officials.

Though controversial and risky, many of the more strategic NGOs are overcoming their inhibitions and are seeking closer collaboration with governments (Fernandez 1987, Tandon 1991, ANGOC 1988, Garilao 1987, Aga Khan Foundation 1988). In this way, NGOs believe they will be better able to achieve the impact described above, and they will be able to expose the government to a grass-roots perspective which might otherwise be neglected. However, with closer collaboration comes increased risk of corruption, reduced independence, and financial dependency.

The planning of projects and policies can be strongly influenced by inviting NGO leaders to serve on government commissions or by holding public consultations in which grassroots organization are able to voice their concern and experience. As Bratton (1990) commented: "Once the question was 'How can development agencies reach the poor majority?,' now it is 'How can the poor majority reach the makers of public policy?''

World Bank experience (Cernea 1988), drawn from a survey of 25 Bank-financed projects, indicates a strong correlation between project success and the participation of grassroots organizations. More recently the Bank has been deriving important insights from the public consultations included in Environmental Assessments in which NGOs often play a major role. Such consultations are effective when all parties are prepared to be objective and to learn from each other. Where NGOs use selective reportage or distortion in order to heighten criticism of the government, or where the government is not receptive to outside advice, "consultations" are likely to be no more than confrontations.

However, even with a largely adversarial relationship, consultation can be a surprisingly productive process and reduce tensions. The Environmental Congress — a network of NGOs in Sri Lanka — initially adopted a fairly confrontational style with respect to the government. On one issue the government proved receptive to their concerns, and dropped plans for a major project. After this, the NGOs developed a more constructive dialogue with the authorities. The government, in turn, invited five NGO representatives to participate in the National Environmental Council which reports to the Prime Minister on the environmental ramifications
of all major development projects.

Conversely, dialogue with NGOs may not be very productive when the State-NGO relationship is too cozy. In such situations NGOs tend to accept uncritically both the government's information and the government's role in coordinating all development activities, including those of NGOs. The NGOs are largely content to fill in gaps as directed by the authorities and rely on such commissions for their raison d'être. They do not question state activities, and therefore fail to inject the grassroots perspective. A degree of financial autonomy of the NGO sector is necessary to ensure their independence.

NGOs are often described as offering "development alternatives" but this is misleading. The dictionary defines "alternative" as meaning "either of two or more possible courses; ...mutually exclusive." The population of any country does not have a choice between the development model offered by government and that by NGOs. NGOs can play an important role in helping certain population groups, or filling in the gaps in state services, or in pressing for a change in the national development strategy, but they do not offer realistic alternative pathways. Their innovations may test out new approaches, but these only become sustainable or of significant scale if they influence national development.

When both parties see that their solutions are not competing alternatives but are complementary contributions, the possibility for a genuine collaboration is opened. However, even as they do so, they may harbor very different goals. The government may be keen to harness foreign funds and the NGOs' capacity for service delivery. The NGOs may seek to reorient development priorities toward poverty reduction. Such unshared objectives may make for friction but they are not necessarily incompatible.

Official aid agencies — by offering or withholding support — can clearly have a major impact on the NGO sector. In this way, but also through their project and policy dialogue with governments, official aid agencies are able to influence the State-NGO relationship and to enhance the political will necessary for constructive engagement. Some are realizing, particularly in the context of their concern for "governance" issues, that supporting the growth of a healthy NGO sector is an important contribution to development.

The health of the State-NGO relationship (and the features determining the quality of that relationship) is sector-specific. Steps to improve the quality of relationship will also, therefore, be sector-specific (see for example Bebbington and Farrington 1992a, 1992b).

### Barriers to a Healthy State-NGO Relationship

a. A highly political policy environment. NGOs often fall in the opposition camp and the government or ruling party may see itself as the sole legitimate voice of the people. The root cause of such political polarization warrants study.

b. NGOs preference for isolation — hence unwillingness to dialogue with government, and poor coordination with one another. Some NGOs prefer to keep well separated from the government orbit to avoid drawing attention, and therefore outside control, to their activities. However, by keeping a low profile they may actually be making themselves more vulnerable to government attack, as illustrated by the case of the Savings Development Movement (SDM) in Zimbabwe — an effective but little known NGO whose operations were temporarily suspended and whose Board was amended by the government because of alleged corruption (Bratton 1990).

c. Jealousy of civil servants towards the NGOs’ access to resources.

d. Pressure on successful NGOs from major donors to receive more funds, leading to a decline in performance. For example, the Voluntary Agencies Development Assistance Organization of Kenya was deflected by donor pressure from its original institutional development function to acting as a funding intermediary. This has been at the expense of both its original agenda and its relationship with NGOs. This has consequently undermined its advocacy effectiveness towards the government (Bratton 1990).

e. The NGOs constituency. If — as frequently is the case — it is a narrow constituency (such as one kinship group, or even just the poorest farmers) the government may consider it too selective since it must consider the common good. Similarly, NGOs have the “luxury” to pick one or two issues which dominate their attention, while governments must juggle with a multitude of concerns.

f. NGOs capacity. NGO projects may not be as effective as claimed, the professional skill of NGO staff, the accountability of NGOs to the grassroots, and strategic planning poorly developed.

g. The public sector’s capacity. The government’s commitment to improving services, eradicating discrimination and poverty may be weak; there may be a shortage of competent staff especially at local level; corruption and nepotism may be rife. In countries riven by strife there is often a legitimacy issue when much of the country is not under government control.

h. Political jealousy. Governments may not want to foster a healthier NGO sector for fear of bolstering the political opposition. How NGOs survive and operate in an adverse policy environment is an important issue for study. In some
countries they have been crushed, but elsewhere they have thrived on controversy.

i. Dependence on foreign donors. A government might be more suspicious of NGOs which are highly dependent on foreign funds — and therefore might impugn their motives as "guided by a foreign hand." Conversely, an NGO which derives a considerable proportion of its funding from its members has maximum authenticity. When the NGO sector is dominated by foreign or international NGOs as has been documented by Edwards (1991) and Hanlon (1990), there can be problems between the government and the NGOs. For example, in Mozambique in 1990, 170 foreign NGOs were running programs in complete isolation from the State. Hanlon describes how these "new missionaries" have divided the country into "mini-kingdoms." Edwards describes how his own NGO — Save the Children Fund (U.K.) — decided to work closely with the government, providing technical assistance at local and national levels in the fields of health and food security. This has had an important scaling-up effect; for example SCF has helped devise mitigatory measures to protect vulnerable groups from the decontrol of prices and economic liberalization under adjustment programs.

Fostering an Enabling Environment

How can governments construct a policy environment conducive to the strengthening of the NGO sector? This will depend significantly on the initial relationship between the two sectors, as described by Tandon (1991).

The first form of relationship is where NGOs are in a dependent-client position vis-à-vis the government; in which NGOs implement state-prepared programs and/or receive funding through the State (a dependency of money, ideas and resources). Examples include, Tanzania (especially during the 1980s) and China. The second type of relationship is adversarial in which there are no common starting points and no wish from either side to search out areas of agreement. Examples include, Zaire, Kenya and Pinochet's Chile. The third and most constructive relationship emerging in certain liberal democracies is a collaborationist one; a genuine partnership to tackle mutually agreed problems, coupled with energetic but constructive debate on areas of disagreement. Examples include, India and Brazil. Each example that has been offered runs the risk of being an over-generalization. As with companies in the private sector, individual NGOs differ enormously from one another and hence there is a variety of State-NGO relationships. The illustrations here are of national patterns.

The State has various instruments it can use, for good or ill, to influence the health of the NGO sector (Brown 1990). The level of response can be non-interventionist, active encouragement, partnership, co-option or control. And the policy instruments used can be:
a. Factors of governance (encouraging public debate and consultation, and the right to organize interest groups);

b. NGO regulations and the legal framework (for example, regarding registration and reporting, auditing and accounting requirements);

c. NGO incentives (including taxation policies on income or local fund-raising, duties on imports, subsidies for NGOs, etc.);

d. Collaboration (use of NGOs in program/project implementation);

e. Involvement in policy-making (serving on committees, assisting with public consultations);

f. Public disclosure of information (NGOs serving as a conduit to inform the public about development schemes which effect them);

g. Coordination requirements within the NGO sector; and

h. Direct expenditure, including official support (grants, contracts, etc.), and research benefitting the NGO sector.

For individual NGOs the most favorable policy setting is when legal restrictions are minimized, when they have complete freedom to receive funds from whomsoever they choose, to speak out as they wish and to associate freely with whoever they select. In such a setting, the NGO sector is likely to grow most rapidly (in particular, the number of NGOs is likely to rise rapidly), but "bigger" does not necessarily mean "better." Growth of the sector can be a mixed blessing.

Loose regulations and reporting open the door for unhealthy and even corrupt NGO activities which may taint the sector as a whole. Where the expansion of the sector has been most rapid (e.g. South Asia and certain African countries) there is considerable concern about the rapid ascension of "bogus" NGOs — NGOs which serve their own interest rather than those of vulnerable groups. An assessment is required as to which regulations are necessary to ensure that incentives provided are used for the intended purpose and which merely hamper the contribution of the NGO sector.

Even if it were possible to curb bogus and corrupt NGO activities, a non-interventionist policy environment may not make for the healthiest NGO sector. The individual NGOs may be healthy, but collectively there may be insufficient coordination, duplication of effort, and important gaps left unaddressed. All these problems are illustrated in a forthcoming Bank report on the NGO sector in Uganda (World Bank 1992a and 1992b).

A conducive policy environment can help make the whole greater than the sum of the
parts, through judicious use of policy instruments. Best practice lessons appear to indicate the following ingredients of an enabling policy environment:

a. "Good Governance" - social policies which encourage a healthy civil society and public accountability of state institutions.

b. Regulations - designed to help, not hinder, NGO growth, but also to root out corruption and to foster sound management discipline; eliminate restrictive laws and procedures.

c. Taxation policies - to provide incentives for activities which conform with State development priorities; to encourage indigenous philanthropy and income generation.

d. Project/Policy implementation - State-NGO collaboration with proven NGOs in a way which allows the NGOs to remain true to their agenda and accountable to members or their traditional constituency. This might typically indicate the following roles for NGOs within government programs (Salmen and Eaves 1989): articulation of beneficiaries' needs to project authorities, providing information about the scheme to communities, organizing communities to take advantage of the scheme's benefits, delivering services to less accessible populations, serving as intermediaries to other NGOs.

e. Policy formulation - provision of information to NGOs for dissemination to their constituencies; offering a role to NGOs in public consultations; invitation to NGO leaders to serve on official commissions etc. (for example, the Indian NGO, DISHA, has been an influential member of the Central Government's Commission on bonded labor). Public access to information is the key to success in this area.

f. Coordination - where the government fosters but does not dominate coordination, for example, through having NGO Units in relevant line ministries or NGO consultative committees; NGOs would be encouraged to attend to geographic or sectoral gaps, to avoid religious or ethnic bias, to avoid activities which contradict state programs or which make unrealistic promises; the government encourages training of NGO staff, for example, by ensuring that its own training institutions offer courses of relevance to NGOs; the government encourages improved attention to management skills, strategic planning and sharing of experience within the sector.

g. Official support - the government provides funds, contracts and training opportunities to give special encouragement to NGO activities in priority areas without undermining NGOs' autonomy and independence; broad agreement is sought with NGOs on such priorities by establishing formal consultation with NGO leaders. Fora such as the Council for Advancement of People's Action and
Rural Technology (the body which channels government funds to NGOs in India) and the forthcoming Community Action Program (a local government scheme for financing NGOs and community initiatives in Uganda) are illustrations.

Conclusions - The Major Policy Issues

Early sections discussed how the development process is impeded when the State-NGO relationship is an unhealthy one and identified approaches which could contribute to improving the environment for NGOs. We now summarize the policy questions which are relevant to fostering an enabling environment for a healthy evolution of the NGO sector. A study series is proposed to consider these questions in a range of developing countries. These case studies will help to identify the appropriate mix of policy instruments to achieve synergies of impact, through enabling and encouraging NGOs to contribute more fully to agreed national development priorities. The policy instruments to be studied under the following headings:

a. "Good Governance". How can civil society be strengthened to help the government be better attuned to popular concerns, to develop public accountability of state institutions and to improve efficiency? Of relevance are issues of plurality (rights of association, rights to organize interest groups) and information (public access to information about development programs). Governments might reduce implementation problems and enhance public support for their programs by easing access to information and allowing affected communities the opportunity to voice their concerns. NGOs can play an important role as interlocutors and facilitators of public consultations, and can catalyze public debate, and contribute to improving governance.

b. The Legal Framework Regulating NGOs. Do registration and reporting requirements hinder NGO growth? How might they become less restrictive while still guarding against corruption and other malpractices within the sector?

c. Taxation Policies. Do these stifle NGO initiative or provide incentives? Do they make it difficult for NGOs to receive foreign funds and donated goods? Do they hamper or encourage local philanthropy or income generating activities of NGOs? Is there a perceived arbitrariness or bias in the awarding of these incentives? Are there tax exemptions for NGOs operating in priority sectors? Might tax exemptions increase the risk of corruption?

d. Collaboration. In what sectors/projects does the government collaborate with NGOs? What is the attitude of the relevant central and local government officials to such collaboration? What is the attitude of the major NGOs to collaboration? How much encouragement, guidance and training is provided for such collaboration? How are the NGO partners selected? At what stage is collaboration sought (e.g. with projects: at identification, design, appraisal, implementation, service delivery, monitoring, or evaluation stages)? What
different types of collaboration are practiced? How does collaboration influence changes within government structures (e.g. greater openness to the opinion of local communities, increased preparedness to share information)? How does collaboration influence changes within the NGOs (e.g. more attention to strategic planning, deflection from their traditional constituencies and purpose, altering the relative sizes and strengths)? When NGOs are engaged to make development programs participatory, are they able to represent a broad cross section of stakeholders or only certain interest groups? As governments move towards contracting out services that were previously provided by public employees, it is important to learn from experience what has worked and where pitfalls lie. What are the public sector management implications of expanded NGO collaboration, if both the NGO and public sectors are to avoid damage?

e. **Public Information, Education and Consultation.** Does the government use NGOs for these purposes, encourage, permit, or resist such activities? In which sectors is the informational and educational work of NGOs most valuable (e.g. AIDS prevention; environmental awareness; combating gender/ethnic/caste bias; promoting family planning; adult literacy)? In which sectors/projects have NGOs played an important role in public consultations (e.g. environmental assessments, assessing social impact of projects, identifying needs for resettlement and rehabilitation)? In which policy areas have NGOs played a significant role (public consultation, information, or implementation)? Do NGOs serve on government commissions or other official bodies? In what capacity do they serve?

f. **Coordination.** What structures exist for coordinating NGO activities? What role does the government play in these? Are there State-NGO consultative or coordinating committees? What agenda does the government take to these (e.g. does the government use such fora: simply for informational purposes, to control or influence NGO programs, to avoid overlap or gaps, to root out bad practices, to identify needs to which it can respond such as for training, etc.)?

g. **Official Support.** Does the government finance NGO activities directly, and if so, what mechanisms does it use? What impact does this have on the work, constituency and autonomy of the NGO sector? Are NGO representatives involved in such funding decisions? Similarly does the government offer contracts directly to NGOs? Does the government seek to control the funding of NGOs by official aid agencies or Northern NGOs? What is the role of donors in improving or worsening the State-NGO relationship. Donors can over-fund indigenous NGOs, or cause international NGOs to start operations and eclipse indigenous ones.

In all of these areas there is potential for conflict: conflict between NGOs and the government, between different NGOs (because in most countries they are far from a
homogenous group) and even within an individual NGO. Official support for NGOs involved in service delivery may be resented by those actively seeking reforms in government policies and practice.

Analysis of the issues listed above needs to be based on an appreciation of the anatomy of the NGO sector in a given country. What are the distinctive features of the major NGOs? Are membership NGOs prominent, and if so what constituencies do they represent? Are "public service contractors" (which rely almost exclusively on government or aid agency contracts) a significant force? Do NGOs make a major contribution to political debate or parties? How prominent are international NGOs? Do national intermediary NGOs play a significant role?

The Bank's emphasis on poverty reduction, human resource development, popular participation and the environment lead to increasing interaction with NGOs, particularly at the operational level. This necessitates detailed knowledge of the NGO sector in a given country, knowledge not just of the NGOs themselves, but also of how they relate to the government, communities, the private sector and donors. The proposed country case studies are designed to help provide such information. They are intended to help strengthen the Bank (and other donors') programs directly, to indicate issues which could be included in the policy dialogue with the relevant government and also to feed into a synthesis report (to be prepared in FY95) which will indicate areas of "best practice" relating to NGOs and general conclusions concerning the policy environment.
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