

# The NGO Project: Why We Care

Gary Johns

Fewer than 60 delegates and observers attended both days of the 2004 annual conference of the Nature Conservation Council of NSW (NCC). This, despite the fact that the NSW and Federal Governments fund their programmes, 'which among other things, support [their] work with ... over 300 representatives on government committees and boards throughout the State'. The funding also helps support their 17 staff.

No wonder the NCC protested when the Federal government cut some of their funding in April. They claimed, 'NCC has been the *community's voice* [emphasis added] for the NSW environment for 50 years now and we won't be silenced when it comes to speaking out for environmental protection and conservation'. Herein lies the nub of the NGO Project. Who are the people who claim, on a vast array of issues, to be the voice of the community? Why does government fund these community voices?

These voices increase the risk of bushfires in native forests because they curtail the scientific approach to forest management. These voices ensure water restrictions because they have governments too scared to build dams. And weak governments use them as an excuse not to make decisions, such as dredging Port Phillip Bay, or licensing GM crops, or allowing reasonable access to the Great Barrier Reef. These voices want to kill the Australian wool industry because they do not believe that humans should live off animals. They sue chicken farmers for allegedly polluting streams when scientists have already set safe standards for runoff. They interfere in Indonesian sovereignty using Australian aid monies. They raise millions in the name of tsunami victims and then promptly send the money to the US or Switzerland with little account

of its use. They agitate for Third World debt forgiveness, even though previous rounds have encouraged corrupt regimes. These voices—all of which claim to represent someone or some cause—are not always very helpful.

## IPA PROJECT INSIGHTS

The NGO Project has highlighted these, and many more, cases in the last few years because we care about public policy. Our attitude is shaped by our conception of democracy, which is at odds with the current fashion for participatory democracy. Participatory democracy assumes that every citizen is a political actor and will spend time

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in defence of their interests and ideas. In fact, democracy is much more elitist, it rests heavily on the idea that people delegate most of their political participation to an agent. Almost every citizen delegates participation to a public agent, a member of parliament. In addition, some delegate participation to a private agent, for example a business or industrial union or other non-government organization to work in their interest.

An essential element of democracy is the process by which public agents respond to the demands of private agents,

and how an unorganized non-political public passes judgement on their performance. Institutional arrangements such as public elections, public servants, the law and the courts, and press scrutiny assist this process. Participatory democracy, however, takes the primary institutional arrangement, public elections, for granted, and in so doing can diminish trust in governing institutions. Participation merely crowds the field with agents (for example, non-government organizations) who may or may not provide solutions to those issues that require government action. The tendency for error is expanded when some agents have no mandate from a membership, either because there can be no membership, for example, the environment, or because the members work for the cause, for example, social workers who become activists on behalf of the disadvantaged.

The IPA argues that the strength and role of NGOs may give the appearance of an active democracy, but it is in reality a sign of an active citizenship. The quality of the democracy will be measured by the ability to incorporate and resolve issues, not just voice them. The secret of keeping a proper relationship between government and interest groups does not, however, lie exclusively in the internal democracy of the NGOs. Overwhelmingly it lies with governments sharing with the public the answer to the questions, 'what do they do, and what is their value to public policy?'

When government embraces participation through engagement with NGOs, there is the tendency to fold multiple objectives—such as community consultation, buying votes and public relations, expert advice, and the achievement of specific contractual obligations for services rendered—all wrapped into one ▶

government–NGO relationship. Without a clear objective, government can end up with poor community consultation, poor value for money in terms of buying influence, poor public relations, inexpert advice, and poorly performed contractual duties. Governments need to think carefully about how best to accomplish each task and the objectives they wish to achieve in NGO relations.

More than any other body, the NGO Project has drawn attention to the new class of interest group in politics—non-producer, non-member-service, non-government organizations. These are not the employer and employee unions. These NGOs claim to speak on behalf of those who allegedly have no voice, or a weak one. In the case of unions of employers and employees, each has asked of the other, who are you and whom do you represent? Over time, each has been drawn into the typically corporate style of relationship with government. So much so that the *Workplace Relations Act 1996* and its many predecessors in industrial relations not only accept representative organizations as the basis of

its operations, but ensure that employee and employer organizations registered under the Act are representative of, and accountable to, their members. Should the same questions be asked of the new interests?

As advocacy NGOs are drawn closer to government, for example, by sitting on advisory committees and receiving public funds, it is as well to ask who they are. Private organizations should be free to organize and agitate in the public arena. They are responsible only to their members, supporters and donors. When they claim to represent a section of the community, however, questions must and will be asked about their credibility, legitimacy and standing in the democratic marketplace. The IPA's view is clear: only when NGOs are given a special status, for example, to sit on a government (or corporate) committee or receive government (or corporate) funds does an obligation arise on the part of government (or corporations) to disclose to the public (or shareholders) some details of the relationship.

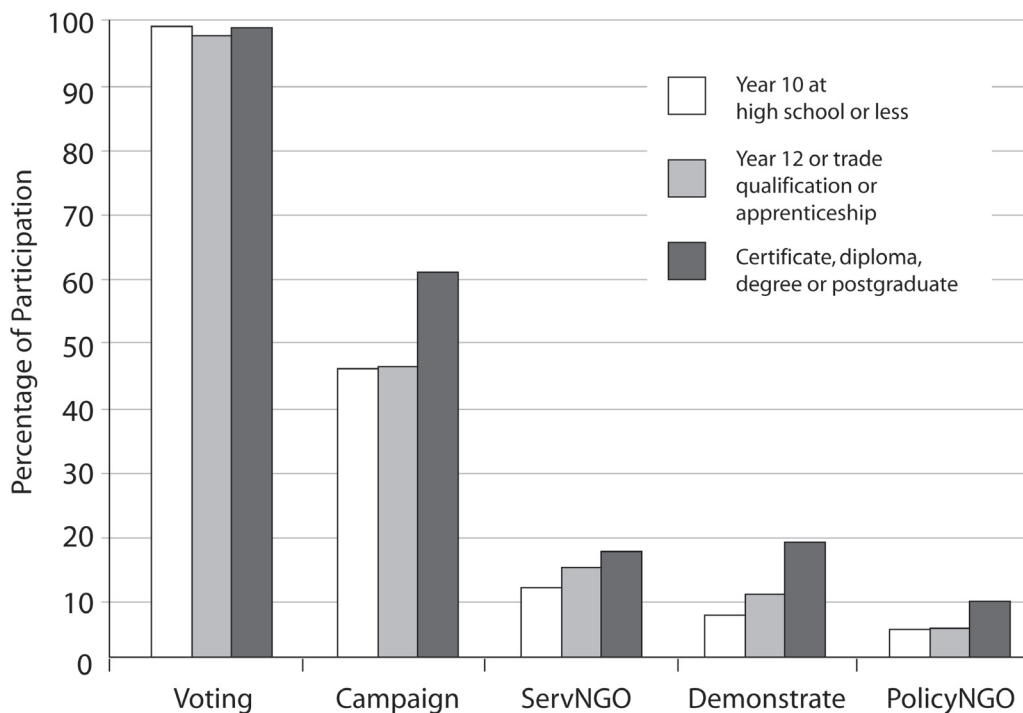
## AN ELITE POLICY CLASS

The true essence of advocacy NGOs is that they are policy communities. By the very nature of their volunteering for the job, they are an elite. This is as true of the local activist as of the national politician. For example, 84 per cent of candidates for the 2001 Federal election had completed some form of post-secondary study, while only 44 per cent had done so in the population at large. The politician, however, is largely constrained by means of a public election to seek a wide view of values and needs in the community and to achieve a satisfactory balance between them. Social status inequality is present among non-elected activists as well, yet this class of political activity is not constrained by means of a public election.

By way of illustration, the chart, *Education and Participation in Politics Australia 2003*, is based on a sample of over 4,000 adults derived from the Australian Survey of Social Attitudes for 2003. It displays the percentage of those from different educational backgrounds—low, middle and high—who participate in different forms of political activity. The activities are arranged approximately in descending order of participation. Only in the most basic form of political participation—voting in an election—is there an equivalent participation between people of differing educational background. To the question, 'did you vote in the Federal election 2001?', the answer was 'yes' for between 97 per cent and 99 per cent of respondents in each category, which means that there is almost no inequality between education categories.

The category, *campaign activity*, consists of those people who were working with people of the same concern; boycotted or bought a product as a form of political

Chart 1: Education and Participation in Politics Australia 2003



statement; or contacted a politician or government official. The data showed that such activity was overall less common than voting and highly unequal, ranging between 45 per cent of the least educated population and 60 per cent of the most educated population. The data also contained questions relating to membership of non-government organizations. These were divided into two classes, *service NGOs* and *policy NGOs*. Service NGOs consist of those people who joined a self-help/consumer health group; special needs; neighbourhood or community-based group. Participation was low for all and unequal, ranging between 11 per cent of the least educated and 17 per cent of the most educated. The *demonstration* category—protest, march or demonstration—showed very low levels of participation and high inequality in participation, ranging between 7 per cent of the least educated to 18 per cent of the most educated. Policy NGOs consist of those people who were a member of a political party; lobby group to change specific government policies; a group working to improve the environment; an environmental or aid organization; or a group that promotes rights. These groups showed the lowest level of participation of all activities and a high degree of inequality in participation, ranging between 5 per cent of the least educated and 9 per cent of the most educated.

Overall, the Australian data show that, as the requirements of greater commitment on the part of the citizen increase, the overall level of participation declines, and the inequality in participation rises in favour of the more highly educated. These results for Australia place in doubt claims made by NGOs to represent civil society and clearly show that advocacy or participatory democracy suffers from the problem of very unequal use. A recent study of advocacy NGOs by a sympathetic group, the Democratic Audit Project, found that ‘in most ... policy is initiated by a small group that includes CEOs and some board members, including the

chairperson’. The IPA concurs. The data on educational inequality as a measure of unequal participation in NGOs understates the case. The real activists are only a fraction of those who are nominally members. Policy communities are very small and very elite; their claims to represent have to be carefully tested.

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#### AN INVITATION

Our critics have asserted that government is cutting off advocacy. For example, Peter Garrett remarked recently, ‘The Liberals’ fixation with reducing the size of government has the flow on effect of shrinking the *spirit of participatory democracy* [emphasis added]. One notable result of out-sourcing policy and service delivery is to mute those organizations that would likely make critical comment on the government’s policies. Those who do speak out are cowed into silence. If they receive any funding at all it is withdrawn or at least threatened with withdrawal’. Is Australian democracy so weak that it has to be funded? Indeed, the Democratic Audit Project studied the internal democracy of a selection of advocacy NGOs and came to the conclusion that, ‘Reliance on government funding among advocacy organisations that represent the disadvantaged may not affect commitment to advocacy’. In other words, it could not agree with the NCC or Garrett that

the world would fall apart without government support for advocacy.

The Democratic Audit Project suggests

a growing desire among senior managers in the non-profit sector, expressed through the National Roundtable of Non-profit Organisations, for a thorough review of the legal and regulatory framework of the non-profit sector. Such attempts are likely to promote greater acceptance of advocacy organisations as a legitimate voice for their constituencies and, in so doing, enhance their contribution to Australian democracy.

The National Roundtable is but a subset of the not-for-profit sector, it does not speak for the sector, but to the extent that it is genuine about reforming the sector, it could support the IPA’s view, outlined in *Informed Giving: Ensuring Charities Inform Donors*. When NGOs receive tax-deductible donations (as charities), the government should ask them to disclose to donors what they do with the money and how efficient they are at fundraising.

The IPA invites the Roundtable to join with it to draft a new Charities Act that will move beyond a ‘review of the legal and regulatory framework of the non-profit sector’, and move straight to a set of standards of disclosure that informs donors and the public about what NGOs (with charity status) do. This leaves NGOs free to do what they want, constrained only by those standards and a well-informed public.

*Gary Johns is a Senior Fellow and Director of the Governance Unit at the IPA.*

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