

HOW CAN WE HELP YOU?

—DARREN WALKER,
PRESIDENT, FORD FOUNDATION

THE VALUE OF CIVIL SOCIETY

During my very first days as President of the Ford Foundation, I participated in a roundtable on civil society with the President of the United States, Barack Obama. At that meeting, he said:

“...human progress has always been propelled... by what happens in civil society - citizens coming together to insist that a better life is possible, pushing their leaders to protect the rights and dignities of all people.”

I could not agree more.

Imagine what the world would be like without a strong, vibrant civil society. Imagine a South Africa still repressed under apartheid. Imagine a United States without civil rights - or voting rights - for women and African Americans. Imagine, instead all of the democratic movements mobilised, the civil society organisations (CSOs) opened, and the lives saved, these stymied, closed, and tragically lost.

Indeed, we find civil society at the root of any real, meaningful, and lasting movement towards social justice, anywhere and everywhere on Earth. This certainly has been true throughout our history at the Ford Foundation, where we have helped to seed and support an ‘alphabet soup’ of organisations: HRW (Human Rights Watch) and the ICTJ (International Center for Transitional Justice), the LRC (Legal Resources Centre) in South Africa, and the CBGA (Centre

for Budget and Governance Accountability) in India. The list goes on, and includes organisations that are delivering services and achieving impact every single day, in areas as diverse and indispensable as the arts, economic opportunity and education.

For this reason, civil society remains firmly fixed at the centre of how we see, seed and support social change. To us, nothing is more powerful than a movement of passionate and principled people, working towards a good that is greater than themselves.

From our perspective, the Ford Foundation's work has long been focused on galvanising social movements by investing in institutions, individuals and ideas. I think of these as our 'three I's'.

Throughout our history we have seen and supported the full range of approaches and shapes civil society can take, whether civil society's relationships with government and the private sector are collaborative or, sometimes, contentious. From the Children's Television Workshop that brought us Sesame Street, to Dr Martin Luther King Jr. leading marches in the street, to the deal that brought the city of Detroit back from fiscal bankruptcy, to the World Social Forum out in the streets around the globe, we have always seen these three I's as the path to progress. They all are interdependent and interrelated, of course. Investments in individuals and leadership translate into stronger institutions. Stronger institutions yield stronger ideas, and ultimately, greater impact. And in each of these three cases, civil society remains the strongest medium through which movements and solutions can be brought to address the largest challenges we face.

CIVIL SOCIETY UNDER SIEGE

Yet, despite their central role - or because of it - many CSOs are beleaguered and besieged. At few moments since the movement to build CSOs began have these institutions been at greater risk, more vulnerable, and less resilient. How can this be, given the vital role of civil society? I believe there is a combination of reasons, both external and internal.

Externally, we know about the atrocities committed by authoritarian regimes, and how civil society has been repressed and restricted by those in power, and thus severely limited in their ability to operate and give voice. For years, troubling laws in Ethiopia have constrained the operation, and free association, of CSOs with foreign funding.¹ In January 2014, we watched as the Cambodian government banned all public assembly in the face of growing dissent.² Two months later, Human Rights Watch issued a report on rights violations in Venezuela, where protesters were beaten and shot.³ In January 2015, the founder of the Bahrain Center for Human Rights, Nabeel Rajab, was arrested for criticising the government on Twitter.⁴ These examples are only a few among many.

The fact is that around the world, activists feel the pressure from governments, who see CSOs as adversaries rather than allies. In countries where CSOs are viewed in this way, human rights abuses are on the rise. An increasing number of legal challenges and constrictive laws impede important work. We have

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witnessed cases of censorship and harassment on nearly every continent. We have seen persecution, even murder, of citizens working for dignity and justice.

Of course, external pressures are not limited to authoritarian, repressive regimes. There also has been uneven, tepid support for CSOs in some democracies, despite the fact that, according to the 2015 Edelman Trust Barometer, NGOs (as it categorises CSOs), remain the world's most trusted institutions. Given the expansion of electoral democracy around the world, the shrinking space for civil society in recent years seems as contradictory to those values as it is concerning.

ism," but we need not be its captives. And borne from this issue is another: how we relate to one another. In 2014, CIVICUS published a powerful call to action, signed by many civil society leaders and supporters, subtitled 'Building from below and beyond borders'.⁵ This letter says it more potently than I ever could:

"We are the poor cousins of the global jet set. We exist to challenge the status quo, but we trade in incremental change. Our actions are clearly not sufficient to address the mounting anger and demand for systemic political and economic transformation that we see in cities and communities around the world every day."

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Moreover, even when CSOs have the freedom to operate, they face a range of challenges from within the ecosystem of funders and fellow institutions.

One such internal pressure comes from the current attachment to - and almost a worship of - market-based solutions that ask organisations to measure progress as if they were for-profit concerns. Granted, Henry Ford II called our foundation a "creature of capital-

This same letter goes on to state, loud and clear, that civil society's "primary accountability cannot be to donors." And this is just one testament to a series of larger, interconnected issues.

To begin with, the entire development ecosystem has become distorted. For those CSOs that depend on big development agencies such as USAID (United States Agency for International Development) and DFID (the UK Department for International Development) to

keep their doors open, they often become bound to contracts, and burdened by checklists. In the name of accountability, these groups have to show bang for the buck - and units per dollar - even if that means spending valuable time on bureaucratic busywork, rather than doing their best work. Of course, we all want to get the most value out of our investments, but when it comes to measuring that value, and holding organisations accountable for it, we need to be more thoughtful and flexible. Right now, too many organisations are bean counting, rather than problem solving.

In short, development incentives do not reward the construction of adaptive organisations, but rather a set of donor-focused, piecemeal priorities. Sometimes, those priorities are myopic, if not downright perverse, diluting grassroots voices, artificially narrowing policy debates, or worse.

To borrow a phrase from our colleagues, we have encouraged this “trade in incremental change,” at the expense of challenging the status quo. Our sector’s obsession with quantifiable impact, and frequently dogmatic adherence to discrete deliverables, undercuts the expansive purpose of CSOs, miniaturising them in their ambition.

In other words, this system is rooted in transactional short termism - a tyranny of donors - that distorts and inhibits, rather than unleashes, the potential of civil society.

THE TYRANNY OF DONORS

Of course, we foundations are far from innocent. Not only are we unwilling to take responsibility for this ecosystem - an ecosystem we helped create and degrade - but, more often than not, we also demand control. We want credit. We want to micromanage. Often, we seem not to trust the very organisations we support.

I know I am generalising. There are plenty of exceptions to this assessment, and certainly the Ford Foundation does not always set the best example. My point is that the larger donor culture we have collectively created speaks louder than the actions of any one funder.

Unfortunately, this culture is one in which civil society leaders too rarely have a voice in setting their own priorities, or even articulating the problem they aspire to solve. Little wonder that funders too often view themselves as patrons rather than partners.

All the while, we know that any enduring relationship, any successful partnership, requires trust. It means ceding some control, and listening to what the other side needs.

And in all candour, in some areas, there are too many CSOs pursuing the same funding. As funders, we have contributed to this phenomenon, and added to the asymmetry between the number of CSOs and the increasingly scarce available resources. The result is a marketplace where we are unable to prioritise effectively.

Simply put, we keep cutting the pie into smaller slices, and more organisations, often with overlapping interests, are left underfunded.

No doubt, for the sake of efficiency and efficacy, there are times when fewer, stronger institutions can make a more powerful impact. But from a foundation perspective, we are not yet comfortable saying to CSOs, “You should focus on a different part of the solution,” or, candidly, “This space is too crowded.”

In turn, we fund a group at a minimal amount because we do not want to tell the truth. Instead of doing no harm, or even being able to help, this means that we allow organisations to die undignified deaths, chasing project grants and grasping to whatever life support they can eke out.

At the same time, CSOs are not without their own vices. We certainly have seen a lack of coordination between organisations working in the same space, which results in unnecessary inefficiencies, and even redundancies. Despite having the best intentions, there are times when ego and defence of territory come into play, and organisations that are meant to improve the world act like the world revolves around them.

THE GENERAL SUPPORT DROUGHT

All of this culminates in two interrelated crises for civil society: a lack of general support and an epidemic of short termism. I became acutely aware of this when an organisation that the Ford Foundation helped

launch, more than four decades ago, called to advise they were at risk of shutting down. I was stunned, not only because the organisation was once at the pinnacle of influence in policy circles, but also because it had some US\$2m in project-based funding in the bank. And yet, for all practical purposes, the organisation was broke, with substantial overhead and debt. This is not an uncommon situation. According to a recent article from the *Harvard Business Review*,⁶ global CSOs spend more on accounting than comparable for-profit companies largely because:

“Most global NGOs today struggle to master the complexities of managing efficient, integrated operations in large part due to restrictions placed on them by funders.”

For all that project-based grants can accomplish, they cannot keep the lights on. They do not provide organisations with the flexibility to meet their needs and pursue their missions. They focus on a short term initiative, rather than long term institutional health. And this is why, going forward, as a general principle, the Ford Foundation is committed to increasing general support.

In my experience, we too often ask what CSOs can do on our behalf, and too little about what we can do on theirs. When I was a CSO leader myself, I rarely heard foundation programme officers begin a conversation with the words, “How can we help you create a stronger organisation?”

And yet this is precisely the question donors should be asking.

This report should be a clarion call to change how we do our work and where we begin to think about

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solving these problems. And where we begin cannot be by telling you what we need you to do for us, but by asking what we can do for you.

USHERING IN A NEW ERA OF INSTITUTION BUILDING

If we believe in the work that CSOs are doing - and we should - then we must help usher in a new era of capacity-building investment, for institutions, and the individuals who comprise them.

What civil society needs most, and now more than ever, are resilient, durable, fortified institutions that can take on inequality, fight poverty, advance justice and promote dignity and democracy.

Lest I be misunderstood, I want to affirm my belief that there always will be a need for project support. Project support is indispensable and essential, although I do not think the true overhead costs of most projects are covered by the inflexible overhead formulas of donors, but that is another conversation. However, if we are being honest, and if our objective is endowing excellent institutions with excellent leadership and infrastructure, then general support ought to be our more pressing concern.

I am not always keen to make analogies for the private sector, but this is certainly a place where philanthropy can learn from it. When venture capitalists invest, they invest in leaders and ideas, and they help those leaders realise their ideas by providing them with the

most flexible capital possible. In circumstances where organisations need more support, whether financial, technical, or in the form of a good old-fashioned introduction, venture capital investors do what they can to deliver. This focus on holistically developing organisations and their leaders is what we funders should emulate going forward.

BUILDING THIS NEW ERA TOGETHER

In order to better resource civil society - and in order to be better resources for civil society - we all need to change our behaviours. Large development agencies need to rethink how they invest, and in whom they invest. Foundations and philanthropists need to rethink how we allocate resources. CSOs need to advocate for general support, and articulate why their organisation deserves that general support instead of project support. And, most importantly, we need to recommit ourselves to building organisations in a different, more durable way.

We know that fulfilling a contract deliverable is not the same as delivering social change. It, by definition, is too narrow, in both intention and output. We need to broaden our approach in order to foster an ecosystem that supports broad impact. This means that everyone needs to collaborate more - donors with donors, donors with grantees, and, importantly, grantees with donors.

So much of the first wave of this behaviour change falls on donors. It is easy to say we need to give more

general support. But we also need to be more trusting of the ecosystem, to get our individual houses in order and then act together. We need to recognise we are not the sole investor in the organisations we fund, and remember that their budgets reflect different sources of funding, and sometimes competing sets of priorities.

More than that, we need to shift the power dynamics of our relationship with CSOs, because our traditional ways of engaging no longer work. They lack authenticity and integrity, and, in some cases, basic respect.

We need to stop treating grantees and partners as contract workers and project managers. Instead, we need to restore balance and honesty to our interactions. We need to learn from one another, communicate and iterate often, and adapt to the changing needs of both parties as they arise. As donors, we must be frank in our observations. But, crucially, we also must listen better, so our partners do not feel timid when we need them to raise their voices and advocate for themselves.

And for civil society institutions, I hope you will put the general support question on the table, not just at the margins, but right at the centre. I hope that you will feel empowered to be loyal to your principles and your mission, and to engage with your donors based on the work

that you are doing, rather than the pressure you are currently feeling. At the same time, CSOs also need to take responsibility for coordinating, at times consolidating, and, as the open letter I referenced earlier put it, “insisting that the voices and actions of people are at the heart of our work.” This means periodically asking the hard questions, and giving honest answers: have we really fulfilled the need we set out to? Have we drifted from our mission? Have we collaborated as effectively as we might?

Together, we need to reset the system in which scrambling for new funding gets in the way of fighting for social change: in which development distracts from mission. This is no easy task.

At the end of the day, we all have to make some difficult choices. As ever, we stand ready to work with you, to listen to you, and to help you, not just for three to five years, but for the long haul. Typically, the problems CSOs are intended to solve are not short term problems. These are multigenerational bets. And as we know, from our history and our present, the best bets, and human progress itself, have always been propelled by a bold, vibrant and adaptive civil society.

1 International Center for Not-for-Profit Law (ICNL), NGO Law Monitor: Ethiopia, 21 March 2015, <http://www.icnl.org/research/monitor/ethiopia.html>.

2 ‘Cambodia Steps Up Crackdown on Dissent With Ban on Assembly’, The New York Times, 5 January 2014, <http://www.nytimes.com/2014/01/06/world/asia/cambodia-crackdown-on-dissent.html>.

3 Human Rights Watch, ‘Venezuela: Unarmed Protestors Beaten, Shot’, 5 May 2014, <http://www.hrw.org/news/2014/05/05/venezuela-unarmed-protestors-beaten-shot>.

4 ‘Bahrain Sentences Rights Activist to Six Months in Jail’, The New York Times, 20 January 2015, [http://www.nytimes.com/reuters/2015/01/20/world/middleeast/20reuters-bahrain-trial-](http://www.nytimes.com/reuters/2015/01/20/world/middleeast/20reuters-bahrain-trial-activist.html)

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5 CIVICUS, ‘An open letter to our fellow activists from across the globe: building from below and beyond borders’, 6 August 2014, <http://blogs.civicus.org/civicus/2014/08/06/an-open-letter-to-our-fellow-activists-across-the-globe-building-from-below-and-beyond-borders>.

6 ‘Global NGOs Spend More on

Accounting Than Multinationals’, Harvard Business Review, 23 April 2013, <https://hbr.org/2013/04/the-efficiency-trap-of-global>.