

Introduction

Along with an increase in the frequency of so-called complex emergencies in the post-Cold War era has come a sharp expansion in the number and influence of non-governmental organizations (NGOs).¹ Many observers have attributed this mounting importance to the so-called New Policy Agenda adopted by governments, which has fostered a perception that NGOs are the optimal vehicle for efficient post-conflict reconstruction and the creation of civil society (Hulme/Edwards 1997; Commins 1997: 141; Robinson 1993).² Official aid agencies have made additional funds available to finance their rising expectations of NGO capabilities in an expanding arena of services including health, education, emergency relief, and democratisation.³ Not surprisingly, a mutual dependence between governments and NGOs has resulted, with NGOs increasingly looking to public donors to contribute to their projects, and governments relying on NGOs to deliver humanitarian aid and other services in complex emergencies and in peacebuilding operations.⁴

The development of stronger linkages between NGOs and government donors has prompted many observers in the mainstream literature to suggest that public funding sacrifices NGOs' values, autonomy, and ability to affect positive change (Biggs/Neame 1994; Fowler 1994; Smillie 1994; Uphoff 1994). Widely referred to as the 'third sector,' NGOs are assumed to be motivated by values and the protection of the weak, as opposed to governments and business which are interested in those with power and wealth, respectively (Korten 1990).⁵ "NGOs and GROs [grassroots organizations] are *supposed to* act as a counterweight to state power -

¹ According to Bush, an NGO is identified by its: (1) *formal existence*: the organization is institutionalized to some extent; it is formalized in terms of regular meetings, office bearers, and some degree of organizational permanence; (2) *private status*: the organization is institutionally separate from government, although it may receive some government support; (3) *non-profit-distributing modus operandi*: while the organization may generate a financial surplus, this does not accrue to the owners or directors; (4) *self-governing administration*: able and equipped to control and manage its own activities; and (5) *voluntary character*: there is some meaningful degree of voluntary participation in the conduct or management of the organization. This does not mean that all or most of the income of an organization must come from voluntary contributions or that most of its staff must be volunteers (Bush 1996: 267-8).

² More precisely, the New Policy Agenda refers to the dual emphasis by governments on the promotion of free market principles on the one hand, and liberal democracy on the other, as the tools best suited for 'efficiently' creating civil society. This doctrine prescribes that governments are ill-equipped to directly intervene to bring about positive social change, but rather should 'enable' non-governmental groups to do so.

³ As will be discussed below, these include *inter alia* an NGO Division, as well as a new evaluation framework and institutional funding strategy.

⁴ Referring to wars as 'complex emergencies' recognizes the multidimensional nature of conflict, i.e. "the interwoven results of war, politics, economics, famine and often refugees" (Bennett 1995: xiii).

⁵ This terminology was coined by Korten (1990) to differentiate between government (first sector), business (second sector), and voluntary organizations (third sector). He argues that while these sectors are complementary and mutually dependent, each has its own 'comparative advantage' and is motivated by different factors (e.g. power, wealth, values).