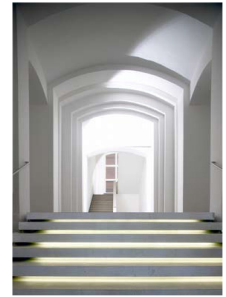


# Berlin Civil Society Center

## THE FUTURE OF CSOs

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*Running the Berlin Civil Society Center is a challenging and exciting task. The Center's workshops and conferences tackle many of today's most burning issues such as climate change, global governance, the virtual dimension of the Internet, the search for a new development paradigm, etc. And, increasingly many of the world's leading civil society organisations (CSOs) such as Amnesty International, CARE International, ChildFund Alliance, Oxfam International, Plan International and Transparency International approach the Center for support in preparing their organisations for a future which most probably will be characterised by faster and more fundamental change and growing uncertainty. Pre-empting future developments and preparing our CSOs for ongoing and far-reaching change is a vital requirement for their future relevance and legitimacy. Leaders who are prepared to tackle these tasks need to welcome and embrace change. Some of the changes at hand, some of the leadership challenges in the making are the subject of the following notes.*

### **I. Redefining Development**

For over 50 years we have followed an idea usually called “development cooperation” which essentially meant that we, the rich Northern countries, would help our brothers and sisters in the South to develop into something similar to us. Now that the world population grows towards a peak of 9 billion and that hundreds of millions in China and India set foot on their personal development path finding salaried jobs, buying TV-sets, computers and cars, eating more meat, moving into bigger flats and travelling abroad on business or in their holidays we find that the development paradigm we have so successfully practiced ourselves and promoted to others, is unsustainable. We just do not have the water to allow everybody the average water consumption of an American; we do not have enough arable land to produce enough meat to allow everybody the average meat consumption of a EU citizen; and our climate does not tolerate the level of CO2 emissions to allow everybody to own and drive a car like the average Japanese does.

#### **1. Reconciling development and environmental protection**

Development as we practice it today means maximising the exploitation of available resources. Environmental protection means conserving key resources like soil, water, climate and bio diversity. We need to understand that development without environmental protection and environmental protection without development are equally

unsustainable. Under this perspective many of our projects aiming at poverty reduction will no longer be acceptable.

## **2. Aiming for global justice**

In a world of limited resources overconsumption in our Northern societies is no longer acceptable. It is about time that we in the North change our own life styles dramatically reducing our consumption of renewable and non-renewable resources thus creating the space for the development of the global South. We need to reinvent development steering it away from unmitigated growth towards a fair distribution of the world's limited resources. Global justice has to become the aim of development cooperation.

## **3. Caring for future generations**

Some of the negative effects of our present development approach, such as mass extinction of species, climate change and nuclear fall-out, have the potential to create harm for tens of thousands of years. If we want to keep these and similar effects under control we will have to extend our thinking beyond maximising the benefits for ourselves to caring for future generations. This means that we will have to replace a development approach which mainly reacts to ongoing external changes by one which pre-empt future challenges and requirements.

## **II. Globalising CSOs**

All of the world's leading CSOs have been founded before globalisation in today's understanding took shape. From the YMCA (1844) and the Red Cross (1863) to the latest global newcomers Amnesty International (1961) and Greenpeace (1970) all were set up in a framework of national units, though most with a global perspective. And while globalisation is taking shape with increasing speed all international CSOs are struggling to develop effective decision making in their relatively loose global structures hosting a group of vastly different and fiercely independent national affiliates. Additional obstacles on the way to globalising CSOs can be found in national laws and tax provisions which grant tax exempt / charitable status only to nationally governed autonomous organisations. Whether the major CSOs can overcome their "multi-national" past and get in shape for playing a role in shaping the global community will very much decide whether and how urgently they will be needed in the future.

## **4. Strengthening the global dimension of CSO governance**

In a globalising world, most CSOs are still organised in national structures with most of the power held nationally and a usually weak global centre trying to encourage national affiliates to cooperate with each other. This means that even the most prominent global CSOs are often not in the position to address global challenges effectively. Appropriate global governance and management require a fully empowered global leadership heading flexible systems which are able to allocate tasks, decisions and resources at the most appropriate levels thus continuously rebalancing global, national and local demands.

## **5. Embracing the Asian century**

Most of the world's leading CSOs have been founded in the North. Their work and organisational culture is based on concepts of Christian charity and they are traditionally dominated by national affiliates from the USA, Britain, Germany, the Netherlands and other industrialised countries. As the world's economic gravity centre is shifting to China, India and other Asian countries such a Eurocentric approach is no longer viable. Global CSOs need to develop a much more cosmopolitan culture and work hard to establish strong national affiliates in key Asian countries.

## **6. Bringing recipient countries on board**

Other continents grossly underrepresented in CSOs' global governance are Africa and Latin America. This is mostly due to the fact that becoming a national affiliate usually depends on being able to raise significant funds nationally – which is rarely possible in a poor country. This is a strange concept, given that CSOs' mission is to provide help, usually through implementing quality projects and that raising funds is only a support function. CSOs should establish “implementing quality projects” as a second entry gate to their global governance, equal to “raising funds”.

### **III. Increasing Relevance and Influence**

Contrary to what we usually assume, the relative importance of CSOs has not necessarily increased over time. Towards the end of the 19<sup>th</sup> century, for example, the combined income of London charities was greater than government budgets of countries like Denmark, Portugal, Sweden or Switzerland. Today only the largest one or two foundations globally are able to wield comparable influence. CSOs generally are far from being the influential global actors as which they are sometimes described. Given the many existential challenges resulting from globalisation, technological development, population growth, depletion of the world's resources and humanity's newly acquired capacity of self-destruction civil society in general and CSOs as its professional manifestation should play a much stronger role than they do today. CSOs urgently and systematically need to increase their own relevance and influence in order to deliver their indispensable contributions to the future of humanity.

## **7. Changing from owner to agent**

With the Internet and with the spread of mobile phones access barriers to global communication are coming down and more and more people world-wide are able to join in. Successful projects like Wikipedia allow everybody to contribute counting on self-regulation by the users rather than top-down management decisions. Traditional CSOs' concepts of membership, of being part of the organisation or not, become a hindrance. In order to mobilise people, CSOs will have to open up and invite everybody in, if only for one single action. They will have to accept the shrinking of their own decision making power and they will have to take the remaining decisions much faster in order to stay relevant.

## **8. Attaining the benefits of scale**

Even though civil society organisations form the 8<sup>th</sup> largest economic sector globally, the sector is extremely fragmented with an ever growing number of small and financially hardly viable organisations and very few larger ones rarely able to benefit from economies of scale. This is especially detrimental in a situation where governments are less and less willing or able to perform their traditional roles of providing education, healthcare and a range of social services for their citizens and the poor world-wide increasingly depend on these services being provided by CSOs. Recent developments indicate that a few international CSOs are finally on their way to reap benefits of scale. Once they succeed we may be seeing similar developments to what we have witnessed in business: a few very large actors will prevail while midsize ones will suffer and eventually disappear.

## **9. Forming coalitions for influence**

Considering the role international CSOs play in UN conferences and other global meetings we have to concede that, on the average, our influence is decreasing. Given the dramatic lack of legitimised and empowered global institutions that could successfully address the growing number of urgently needed global decisions the lack of a meaningful, influential global voice of CSOs is painfully obvious. Over the next few decades, as a new and more powerful system of global governance evolves the cacophony of millions of small, disunited organisations will hardly be considered a relevant contributor. If international CSOs want to wield some influence globally, they need to form much stronger coalitions voicing clear and demanding messages.

# **VI. Strengthening Accountability**

In the past, many CSOs demanded accountability from governments and business but did not want to be held accountable for the work they did. Three developments are changing this perspective: the first one is the fact that more and more of the sector's leaders understand that better accountability is a key requirement for improving the quality of their organisations' work. The second factor results from CSOs' success in holding the other sectors accountable: they are increasingly challenged to practice in their own organisation what they preach to others. The third development is the increasing importance of national watch dog organisations and websites which monitor and compare CSOs' performance giving away quality seals to good performers and – often timidly – start blacklisting poor performers. Over time these three drivers will improve CSOs' accountability and thus lay the basis for the sector's improved efficiency and effectiveness.

## **10. Strengthening transparency and accountability**

By definition and by law CSOs are not allowed to generate a profit for their owners. This is a great asset on one hand as it allows altruistic human qualities to thrive and keeps egoistic ones very much at bay. On the other hand it is a significant disadvantage as it leaves only moral incentives to improve the quality and output of an organisation's work.

Equally weak are the sanctions: while ineffective business goes bankrupt ineffective CSOs rarely get caught: they just linger on. In the interest of our sector's mission we need much more transparency and accountability in order to identify the under performers and force them to improve or lose their support. At the same time more transparency and better accountability will benefit the quality CSOs: they will be identified as good performers and attract more funds and increase their influence.

### **11. Measuring efficiency and effectiveness**

CSOs will increasingly have to compete for funds and influence by proving their efficiency and effectiveness, frequently against business inspired criteria. While there is still considerable resistance to measuring our sector's performance, a growing number of CSOs can see the benefits of critically reviewing their own efficiency and effectiveness. In order to provide a solid basis for improving an organisation's performance, measuring needs to look at the quality and quantity of resources invested and equally at the quality and quantity of results obtained. Output (e.g. schools built), outcome (students graduated) and impact (quality of live improved) equally need to be in the focus.

### **12. Developing mutual accountability**

Until today accountability is mostly a one way street: recipients are always accountable to donors but rarely are donors accountable to recipients. And while all major CSOs talk about partnership, human rights, children's rights and self determination very few are prepared to be held accountable by their local partners and recipients. CSOs should be accountable towards recipients for the effective, timely and reliable support provided towards the fulfilment of recipients' needs and expectations. Empowering recipients to seriously hold their donors accountable will do more for raising the quality of the average project than any other single step. Mutual accountability across the whole chain of support from governments and foundations over international, national and local CSOs to the local community and back will be prerequisite to CSOs' legitimacy.

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