Challenges for NGOs in the Changing Political Setting

Suthy Prasartset

The expansion of capital on a world scale to integrate the Third World into the new international division of labor had been closely associated with the rise of authoritarian regimes or "neo-fascist" states. [1] This type of state in the Third World was fundamentally needed to provide a friendly and profitable investment climate for international capital. Third World authoritarian regimes suppressed working class and other people's movements, and transformed existing institutions and structures to facilitate and support the process of transnationalization.

According to James Petras, the neo-fascist state is characterized by, among others, the following features: [2]

> 1) Its organization is largely the result of both the insertion of the part of the metropolitan state apparatus within Third World politics, and the promotion of an ensemble of "overdeveloped" state apparatuses -- notably the military and police bureaucracies.

> 2) Forces of order and violence reign: terrorism and purges are recurring activities which vary merely in intensity and scope. The growth of para-military forces out of the "regular" police and military forces complements and attempts to disguise the direct involvement of the highest levels of government in the process of physical coercion.

> 3) It is essentially a repressive state: an apparatus for systemic mass demobilization. Its formation by "revolution" is the basis for the creation of policies, institutions, and conditions for a particular type of socio-economic development. It creates the conditions for large-scale and long-term economic expansion based on the promotion of transnational capital. And, through

the expansion of numerous types of state activity, it becomes a complementary force promoting foreign growth.

> 4) The ideology of neo-fascism harnesses traditional reactionary beliefs and authorities to the dynamic of (sic) externally-induced capitalist expansion. Ideological appeals, thus, vary by strata: for the elite, the doctrine of national security; for the masses, anti-communism and traditional morality. The neo-fascist regime, thus, produces its own ideological synthesis -- importing and combining 'modernization" with 'traditionalism" as instruments for ideological domination -- while applying the doctrines of "national security" and 'anti-communism" to legitimize physical repression

The first feature is concretized in the military alliance between several Third World countries and the United States, in which the latter gives military "aid" and training to the former. Under this arrangement, the coercive apparatus of Third World states becomes patterned after the American system, thereby facilitating the growth of an "ensemble of state apparatus" from the center.

The second and third features of the neo-fascist regime are of particular significance as most of these regimes in the fifties and sixties carried out, in varying degrees, a process of depoliticization through the coercive state apparatus and the suppression of human rights and freedoms. These regimes tried to disguise the use of brute force by promoting paramilitary units and other similar organizations.

With the guidance of the transnational power structure, authoritarian regimes promoted transnational capital by introduc-

ing new legal measures or restructuring existing ones, and creating new institutions to implement them. The latter was carried out with the assistance of US agencies and international organizations such as the World Bank. The authoritarian regimes placed themselves at the service of transnational capital by following the advice of the World Bank Mission and the IMF. These two organizations work in close collaboration with Third World authoritarian regimes in charting transnational development strategies. The World Bank was active in proposing a package of "development programs" for several Third World countries. Such programs were basically designed to integrate these countries into the new international division of labor through a policy of import-substitution and agricultural diversification. The state was to be active in providing infrastructural services, and legal and institutional support to the private sector. Existing state enterprises were privatized. In carrying out such a strategy, Third World regimes relied heavily on foreign aid and loans. More important, these countries actively followed a policy of promoting foreign investments, and set up appropriate institutions to facilitate its implementation.

In sum, the authoritarian regimes, which thrived on coercion, political exclusion, and mass demobilization and depoliticization, facilitated the integration of the Third World into the new international division of labor. In the process of their integration, these Third World countries experienced a relatively rapid growth of investment in textiles, machine goods, automobile assembly, electrical and electronic parts, irrigation, and large thermal projects. That there is now a shift of investments to new frontiers in the Third World is consistent with a new type of regime (which has been in transition since the early 1980s) that uses a more sophisticated mode of social control.

Authoritarian Regimes in Transition

It is argued here that the transition to democracy now taking place in several Third World countries has its roots in the socio-economic changes that started since the late 1950s. These changes brought about new social forces, and caused socio-political stresses and tensions in the existing political system. These new social forces are based on a higher level of development of the productive forces, and are now challenging authoritarian regimes in the Third World.

Binnendijk identifies four types of transition from authoritarianism: [3]

1) The model of uncontrolled revolutionary collapse in which most institutions of the old society fall along with the autocrat. Iran during the fall of Shah Pahlavi is a case in point.

2) The model of revolutionary restructuring in which the autocrat is overthrown after a period of sustained mass mobilizations in the form of street protests, strikes, etc.. In this case, most of the existing economic, social, and political institutions remain basically intact. The new leaders often have some experience in government and are more pragmatic than ideological. This model describes Argentina after the junta, the Philippines after Marcos, and Haiti after Duvalier.

3) Revolution by coup d'etat occurs in relatively underdeveloped societies in which the military is the dominant political institution, and military coups offer the only possibility for political change. In the aftermath, a series of coups and counter-coups happens until a dominant leader appears. This occurred in Ethiopia and Afghanistan.

4) In the managed transition model, the authoritarian leader himself, for one reason or another, sees the need for a peaceful transition of government, and plans for it. Certain patterns of social, economic, and political change may have compelled him to abandon military rule, and slowly liberalize society by forming alliances with technocrats, or developing political parties, thus paving the way for a relatively successful transition to democracy. Brazil and El Salvador in the recent years follow this model.

The models of revolutionary restructuring and managed transition are likely to lead to success. In both models, actions are taken by some groups within the old regime to ease the transition and prevent a complete collapse of social institutions. It is crucial here that key government officials anticipate a transition, take timely steps to minimize its impact, and steer the course of events towards a more peaceful and democratic situation. [4]

The US prefers the managed transition model. According to one US official: [5]

While a foreign autocrat is in power, the United States should make every effort to support those institutions in his society that can form the basis for a future democracy, develop close ties with leaders of the democratic opposition, if they exist, and gather intelligence necessary to gain early warning of a potential transition.

Transitions can be managed if the process is started in time by senior members of the old government working with the moderate opposition. The United States should actively encourage such managed transitions once warning signs indicate that a transition is likely. Failure to manage a transition in time can lead a nation, like [the case of] Iran or Nicaragua, down a sad path. But successful management of a transition can bring at least a form of democracy to a nation and can, in the process, enhance US foreign policy interests.

External contradictions may have a substantial impact on the outcome of the struggle for regime transformation. But it is the *internal conditions* that provide the prerequisite thereof. It is the people's struggles in various political movements that originally cause regime transformation, forcing the ruling regime to respond in order to preserve its own privileged social position. The failure of several Third World authoritarian regimes to deliver development to the poor majority only resulted in the widening gap among income groups and regions, and in the growing polarization of social classes. In this situation, the regime requires a new legitimacy as its social base contracts.

The urgent problem of the elite, therefore, is how to find a new legitimacy and continue their privileged rule. Faced with this challenge, the elite coopt the rhetoric of the mass movements (e.g., people's participation, self- reliance, etc.), or reconstitute themselves by carrying out "political reform" or democratization.

The New Global Political Setting

The transnational power structure supports the current global trend towards democratization as this has become crucial to the continued operation of the new international division of labor.

In the 1960s and 1970s, the authoritarian regimes of the Third World pursued a strategy of transnationalized development. They relied heavily on external debts, but were unable to meet their obligations when these fell due. The international banks were, therefore, faced with the possibility of these regimes declaring themselves insolvent. This possibility became even more distinct when civil disturbances further weakened the economies of the Third World.

As Cohen explains: [6]

The international financial communities also fear that they might be landed in financial disruption (sic). US officials expressed concern about the possibility of a "domino effect" which might lead to a chain reaction of defaults (sic)among major debtor countries.

[In the case of Mexico], from the moment [its] difficulties began, there was never any doubt among policy makers that America's own security, not just Mexico's, was at stake... Nor was there any doubt that the contagion might spread to other Latin American nations as well.

The US, unlike in the 1960s when it engaged in activities to support so-called neo-fascist regimes, now supports relatively more liberal regimes in order to preempt an international financial crisis. It even openly warns coup plotters in the Third World of cuts in aid and grants should they succeed.

Binnendijk stresses the important role the US plays in the transition from authoritarianism towards sustainable democracy: [7]

The United States could enhance the long-term prospects for emerging democracies in most cases by making greater use of the National Endowment for Democracy and similar institutions to strengthen these [democracy promoting] criteria.

This implies that the US has now shifted towards supporting strong leaders and institutions in the Third World that can 'promote democracy"....The US should have a unified policy on the transition of authoritarian regimes, based on reliable intelligence reports and willingness to support such a change when necessary. This policy will become a *new formula* in dealing with political transitions in the new global context.

It seems that this new formula was applied in Haiti and the Philippines when events in these countries threatened to follow the direction of Iran. In both cases,

Binnendijk claims that: [8]

> ...reasonably good intelligence assess-
> ments based on ties with opposition groups
> gave policy-makers an adequate appreciation
> of the deteriorating situation. US policy was
> more unified, with relatively little backbiting
> and few press leaks... had the United States
> failed to expedite the departure of either
> Marcos or Duvalier, a more violent and less
> successful transition most likely would have
> taken place. In El Salvador, it took a great
> deal of pressure from the United States and
> the courage of Jose Napoleon Duarte to
> begin the transition to democracy.

This formula may have been applied in South Korea where, in early June 1987, there were sustained protests and demonstrations for presidential elections and a return to an open and democratic political system. American authorities feared then that Chun Doo Hwan might resort to tough military measures that would not resolve the crisis. While the US State Department offically stated that military intervention would be a disservice to South Korea, and that the military commanders would concehtrate on defending the country from foreign aggression and let the political process take its natural course, Mr. Gaston Sigur, Assistant Secretary of State for the Far East, was sent to the country to discuss matters with the South Korean government and the leaders of the opposition. [9] Further, the American Senate passed a resolution, with a vote of 74 to zero, in support of clean and just elections in the country. [10]

From the foregoing, it seems that the US will use this new formula of compromise only if the Third World country in question has undergone a period of sustained popular protests that cannot be easily put down by brute force.

The present phase of dependent development in the Third World requires a new type of regime, a new legitimacy. This has become an objective necessity as the traditional mechanism or system of social relations, based on the ideology of developmentalism and the doctrine of national security, only resulted in the further concentration of economic and political power in the ruling elite, and in the increasing marginalization of the poor. This made the Third World prone to popular uprisings causing social turbulences and disruptions. D.C. Korten pointed out that the new policy among donors is that "the transfer of capital is seen as less central. A high priority is placed on the process of democratization." [11]

The Third World in the New Economic Squeeze

Third World countries are subject to a new "Northern Squeeze" in the current economic downswing. Since the mid-1970s, the world economy has been in recession. Relations among leading industrial economies are now characterized by rivalry and protectionism. While the North pressured for a strong and full protectionism of intellectual property or patents, it forced the Third World to liberalize its *trade in services*, such as banking, trading, transport, etc., and to open its hinterland as a new field of investment. Under the guise of the protection of Intellectual property and freedom of enterprise, the North seeks to privatize almost everything in the public domain or the common heritage of mankind. The integration of Third World cropping patterns into the world market has resulted in the destruction of its lands and forests, of its economic base and life support system. The expansion of agribusiness through the use of modern technology also transformed the peasants into rural proletariats who are now subject to a system of contract farming or other corporate farming arrangements. The opening of remote islands and hills to transnational tourist firms also caused the dislocation of local communities and the destruction of the natural environment.

In India, for example, it was reported that there are numerous cases of direct corporate take-overs of public lands. These were done with the support of the government and some NGOs such as the Society for the Promotion of Wastelands Development (SPWD). The use of NGOs "was far more convenient [vehicle] for simultaneously defusing mobilization for the rights of forest dwellers and opening up the forests to the corporate sector and facilitating their control over lands that had so far been people's commons." [12]

The Challenge for NGOs

There is much interest among international organizations in the deepening involvement of certain NGOs in the development assistance process, and in their role as alternative "delivery systems". Anne Drabek points out three major reasons for NGO involvement: [13]

> 1) The perceived failure of official aid agencies and recipient governments in the Third World to bring to the world's poor an expected rise in their standard of living.
>
> 2) The capability of NGOs to "deliver the goods" effectively, especially during the recent African famine relief efforts.
>
> 3) The preference among donor governments for "private sector" development and encouragement of pluralistic political systems.

International organizations which have shown keen interest in the role of the NGOs include the World Bank, UNICEF, UN Non-Governmental Liaison Office, US Agency for International Development, Ford Foundation, Carnegie Corporation, Sasakawa Peace Foundation (Japan), Gatby Trust (London), Overseas Development Council (Washington), Overseas Development Institute (London), and the North-South Institute (Ottawa). Among these organizations are those that are pushing for the strategy of transnationalized development in partnership with the ruling elite of the Third World. They are largely responsible for the suffering of the majority of the world population. Thus, their recent active monitoring of NGO activities should be closely watched. These International organizations may try to liken the activities of the voluntary sector with those of the private sector. While the former works according to the philosophy of people-centered and self-reliant development, the latter operate through corporate control and profit generation. This distinction will be blurred once NGOs are set up with the support of the government and the corporations. Therefore, whether NGOs are now being promoted as a new delivery system or as a new mode of legitimation for the State is an urgent issue to address.

Presently, transnational capital and its key global agencies, consisting of various UN bodies, and foreign aid and credit organizations, have discovered in the NGOs a most effective instrument for promoting liberalization, privatization, and the integration of the Third World into a homogeneous world economy. [14] The emerging view in global corporate sectors is that the NGOs, along with the private sector, are able to "provide the new frontier of dynamic technological integration of the world economy". And, unlike the earlier development strategy that was centered on the State, the new strategy is to be achieved through liberalization and privatization. To the USAID and the World Bank, the NGOs, and not the government bureaucracy, are the "new delivery systems".

To most international organizations, voluntary agencies are superior to the government bureaucracy in providing an effective institutional framework for development. This constitutes what Kothari describes as an "institutional shift":

> Building on the growing criticism of the State in "delivering" development, as well as on the perceived inability of the government to reach "target populations", there has been emerging over the last several years a preference among donor agencies and the UN for non-governmental development agencies (NGOs) which operate both internationally and nationally (as well as in local spaces). Several new projects such as wasteland development and rural technology are to be set up on the basis of voluntary agencies with their own autonomous boards and no accountability to the governments. Now, voluntary and NGO work has become a preferred mode of organizing the socioeconomic terrains as against the State bureaucracy. [15]

This is the most strategic move of the State and the corporate sector to struggle out of the current economic downswing.

In the current democratization process, NGOs must promote a network of local organizations through which the people are able to effectively articulate their needs and aspirations. For this to be feasible, they must be supported by institutional structures and policies, providing necessary socio-political spaces. It is further argued that to fulfill this role, the NGOs need new types and levels of competence. According to Kothari, NGOs need "Third Generation Strategy" associated with the

task of restructuring social institutions. The NGO staff must not only be technically competent, but must also possess appropriate social, political, and alternative management skills and values. They must, in the words of Kothari, acquire a "new development professionalism". According to this concept, "the preferred organizational forms and management methods [of the new development professionalism] that fit the needs of development-oriented NGOs are *post-bureaucratic or strategic* in nature. Rather than supporting central control, they support self- assessment and self-correction, driven by a strong orientation to client service and a well-defined sense of mission. Highly developed management systems provide rich flows of information to facilitate these self- management processes." [16]

While the "Third Generation Strategy" aims to bring about alternative development programs and affect structural changes to benefit the poor and powerless, it is generally cast within the general framework of the new international political economy which requires more pluralistic social systems in the Third World. It hardly discusses the promotion of *organic intellectuals* and people's organizations. The strategy concentrates on the role of NGOs, which is basically a middle class organization with its own internal weaknesses, and on such other issues that are technical and internal to the organization (e.g., strategic management). This may prove to be self-serving, and may lead to bureaucratization. The more important point, after all, is to empower the people's organization rather than the NGOs *per se*.

Notes

1. James Petras, "Neo-Fascism: Capital Accumulation and Class Struggle in the Third World", in Bruce McFarlane, (ed.), *A Political Economy of Southeast Asia in the 1980s* (Adelaide: Veriken Press, 1979).

2. *Ibid.*.

3. Hans Binnendijk, "Authoritarian Regimes in Transition", *The Washington Quarterly*, Spring 1987.

4. *Ibid.*, p. 159.

5. *Ibid.*, p. 164.

6. Cohen, 1985, p. 709.

7. Binnendijk, 1987, p. 163.

8. *Ibid.*.

9. *Nation*, 24 June 1987, p.9.

10. *Matichon*, 29 June 1987, p. 14.

11. David C. Korten, "Third Generation NGO Strategies: A Key to People-centered Development", in Anne Gordon Drabek, (ed.), *Development Alternatives: The Challenge for NGOs* Vol. 15 (World Development Supplement, Autumn 1987).

12. Rajni Kothari, *State Against Democracy: In Search for a Humane World Order* (Delhi: Ajanta Publications, 1988).

13. Drabek, 1987, Editor's Preface.

14. Kothari, p. 74.

15. *Ibid.*, p. 79.

16. *Ibid.*.