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# Developing a Fourth Generation NGO Strategy

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**OVER THE PAST 40 YEARS SO MANY NGOS HAVE** been formed to take part in the task of alleviating Third World poverty and misery, an undertaking we now call development work. Every year, in both North and South, hundreds more emerge. With NGOs now becoming the focus of attention their number is sure to increase in the coming decade.

**T**o make a complete and precise listing of NGOs is close to impossible. The last (1981) OECD comprehensive directory covered only 1,702. In the US alone, 500 PVOs were listed in 1983 as involved in development assistance abroad while some 300,000 agencies and association raise funds from the American public to the tune of \$53.6 billion in 1981 for domestic humanitarian purposes. In UK, some 100 of about 150,000 British charities are listed as development-oriented. In France, the 1987 directory lists 520. Japan, where NGO was never heard of till recently, 131 NGOs and foundations were listed in 1985.

The difficulty is due in part to the problem of classification. NGOs, being a product of many cultures and societies, would vary according to specific country contexts. In Sweden, the word for NGO is "folkrorelser" ("people's movements") and includes trade unions, co-operatives, the churches and a wide range of non-profit associations.

The names game is somewhat confusing. There used to be only two widely adopted ones: PVO (private voluntary organizations) of US origin and NGO (non-governmental organizations) introduced by the UN in 1953 to mean those accredited bodies that are formed as counterpart sounding boards and pressure mechanisms to multilateral bodies represented in the UN system.

Through the years several labels have come into developmental use. Apart from PVO and NGO, we now have NGDO (non-governmental development organizations) by Padron and later adopted by NOVIB; VDO (voluntary development organizations) and "non-profits" both introduced by D. Brown of the Institute of Development Research (IDR); SHIs (self-help institutions) by K. Verhagen. For our purposes, all these can be generically termed NGO.

A new categorization by Mario Padron (DESCO, Peru) may be useful. In his paper, "Non-governmental Development Organizations: From Development Aid to Development Cooperation" (World Development, Vol. 15, 1987), Padron defines the three main NGOs active in the development process. The NGDOs (non-governmental development organizations) are the indigenous agencies serving the multiple needs of the grassroot sectors.

The GROs (grassroots organizations) are organizations of the beneficiaries or target groups. The ICDIs (international development cooperation institutions) refer to the international NGOs, solidarity or funding agencies supporting NGDOs and GROs.

**N**GDOS, as they are known today, are a product of civil society that permits the operation of the concept "freedom of association". This explains why they emerged within the context of Western democracies. This probably is also the reason why NGOs have very limited presence, if any exist at all, in less open societies.

NGOs that emerged in the South were originally Western inspired. They were started by Catholic and Protestant missions which focused mainly on the fields of education and health in the African and Asian regions.



To the churches must be attributed many of the values shared today by a large section of the NGO community. Apart from initiating activities which we now call development work they were the ones that initiated significant dialogues in the late 60s around critical issues affecting the whole development process. They in fact introduced the concept of “partnership in development” and firmly established such principles as self reliance and international solidarity and the fundamental concept that human beings are the agents and goals of development.

The last three decades saw the phenomenal increase in numbers of development NGOs and, correspondingly, the increasing recognition of their distinct role and contribution to the development process. And because they represent extremely diverse purposes and experiences NGOs seem to defy attempts at precise categorization.

One such attempt was made by David Korten (formerly of the USAID, now with the National Association of Schools of Public Affairs and Administration and the Institute of Development Research). He introduced a typology based on orientations in programming strategy and came up with three categories or generations of NGOs: first, relief and welfare; second, local self-reliance; and third, sustainable systems development.



### **First Generation: Relief and Welfare**

**T**he first big NGOs, such as Save the Children (1919), the Oxford Committee for Famine Relief (1942, later becoming Oxfam UK), CRS (1943), CARE (1945), and World Vision began as charitable relief organizations. Even more recent Southern big NGOs like the Bangladesh Rural Advancement Committee (BRAC, 1971) began as welfare agency. These NGOs initially focused on natural disaster and refugee situations caused by floods, famine and war. Later, their own experience directed them to respond to non-disaster situations but still within the framework of welfare. Oxfam UK and BRAC, however, have come a long way and deserve a third generation category.

Emergency situations that demand immediate and effective humanitarian action will forever be part of human experience. But as a development strategy, relief and welfare offers only a little more than temporary alleviation of the symptoms of underdevelopment.

## **Second Generation: Small-Scale and self-reliant local development**

In the late 1970s, realizing that relief and welfare approaches are limited, NGOs undertook CD-type projects in such areas as preventive health, improved farming practices, local infrastructure and so on. What makes these different from relief and welfare approaches is the stress on local self-reliance with the intent that development benefits would be sustained beyond project life.

The Freedom from Hunger Campaigns launched by FAO in 1960 and established in a number of DAC countries may fit this classification. This is aptly articulated in their choice of motto, adopted from the ancient oriental proverb: "Give a man a fish and you feed him for a day; teach him to fish and you feed him for a lifetime."

But according to Korten, second generation strategies by definition do not attempt to address the causes of the inadequacy of other service providers or the larger institutional and policy context of the NGOs own activities. Their spatial scope is limited to isolated village communities and local groups that have little or no impact at all on broader policy issues that normally adversely affect whatever gains may be derived from local intervention.



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## **Third Generation: Sustainable Systems Development**

A re-examination of strategy is presently underway within a section of the NGO community. Strategic issues pertaining to sustainability, impact and recurrent cost recovery figure out as the prominent themes. At the bottom of this is the recognition that on their own NGOs can never hope to benefit more than a few favored communities and that self-reliant local development initiatives are likely to be sustained only to the extent that local public and private organizations are linked into a supportive national development system.

The problem being addressed is the dysfunctional aspects of the policy and institutional set-ups at the village and sectoral levels. Third generation NGOs have come to recognize the need to come together and exert influence on public and private agencies that control resources and policies.

**A**dopting third generation program strategies will mean that an NGO will find itself drawn into a catalytic, foundation-like role rather than operational service-delivery role. It will have to focus more on facilitating development by other organizations, public as well as private, of the capacities, linkages, and commitments required to address designated needs on a sustained basis.

Further, third generation NGOs will find themselves, one way or the other, collaborating with government which remains in command of most resources needed for broader impact. Given the mutual suspicion, if not outright hostility, common to relationships between government NGOs, especially in the South, this dimension of the strategy may run into enormous difficulties.

### ***Interplay of three generation strategies***

These three strategic orientations are by no means exclusive. Operationally, these may be program-specific. An NGO like PRRM may find its programs run on all three strategies simultaneously. For example, its Negros food aid falls under first generation, its RDDP may be treated as second and third generation intervention. And its policy studies and advocacy and international work are definitely third-generation oriented.

It does make sense for a big NGO like PRRM to rationalize its whole intervention strategy within the framework of combining all three strategic orientations.

### ***Need for a fourth generation strategy***

The question of development strategy was never put to rest with the emergence of the third generation strategy. While the strategy, as Korten puts it, is a key to people-centered development, the farthest it can go is to correct the dysfunctional aspects of one or other system in the interdependent systems. Still, the basic framework is comparative advantage, that is to say, the NGOs must stick to where they are good at (direct and efficient assistance to beneficiaries at a much cheaper costs), and, in addition to this, policy advocacy around broader development issues.

The development landscape continues to be dominated by the persistence of debilitating and dehumanizing poverty and the declining availability of resources. This condition persists at intolerable levels in most countries and regions of the South, except in the “miracle economies” of Taiwan, Korea, and Singapore.



The Third World is facing an unprecedented development crisis. Debt burdened countries throughout the South are saddled by a net outflow of financial resources as development assistance from the North declines.

The social and human costs of the crisis manifest in the following indicators: increasing infant mortality; declining access to food and growing malnutrition; increasing ill-health and the reappearance of diseases that were thought to be conquered; increasing landlessness and unemployment; drastic cuts in real wages and rising prices of goods consumed by the poor; and, the collapse of education, health, housing and other social services.

At the same time, women have been incorporated in growing numbers into wage labor employment under extremely bad conditions. Economic and social pressures, fuelled by the crisis, are taking a severe, perhaps irreversible, toll on the natural environment. Further, the crisis begets conflicts that leads to increasing repression and human rights abuses.

At the root of this crisis is the unequal distribution of assets and power at both the international and national levels. The elites continue to hold sway over entire societies and fiercely resist any attempt at redistribution.

Where do NGOs go from here? Adopting in common the third generation strategy can contribute to realizing the calls of democratization and empowerment. But this will not be enough. The nature of the development crisis demands a comprehensive system change, which means doing away with the structural obstacles that in the first place caused the failure of official development strategy.

**D**evelopment theorists and practitioners must think beyond “repair work” addressed to the components of interdependent systems although they can build up from here. Their efforts at re-examination should help enable the whole international NGO community to effectively promote what the watershed NGO conference in London called Alternative Development Paradigm.

Convened in March 1987 by the Overseas Development Institute (ODI) of London and the Overseas Development Council (ODC) of Washington, the NGO conference set out the following guiding principles for such an alternative development process:



- the reacquisition by the poor in the Third World countries of the power and control over their own lives and the natural and human resources that exist in their environment;
- the strengthening of their inherent capability to define development goals, draw up strategies for self-reliance and be masters of their own destinies;
- the refusal to compromise on issues related to the social and cultural identities of these societies.
- special emphasis on and attention to utilizing and developing the indigenous efforts, however small, that are promoting self-reliance;
- the creation of institutional and political space for those groups/ organizations which are struggling towards self-reliance;
- the delinking from development processes of all aid which is intrinsically tied to foreign policies of donor states;
- the recognition that non-governmental development organizations working with the poor and having an indigenous evolution are important vehicles for change in the development process and that support should be primarily provided to them;
- the recognition that all development efforts must have as equal partners women who have until now borne the burden of the antidevelopment processes.

To facilitate this struggle for a self-reliant and sustainable development it is necessary for Third World NGOs to take two essential steps:

- (1) renegotiate the underlying principles as well as the operational terms of North-South interactions;
- (2) strengthen South-South cooperation which in the long run is the only method of fostering self-reliant development.

The linkage between the micro level local context and the macro level global structures needs to be stressed in both of the above processes (World Development, Vol. 15, pp. 247-250, London).



For the Alternative Development Paradigm to succeed in replacing the mainstream development model it would require a kind of strategic leadership of a fourth generation orientation.

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## About the author

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