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## The Australian Council for International Development in the Twenty-First Century: Challenges and Opportunities

The idea of NGOs coming together to engage with government on policy is unremarkable now, but it was very new in 1965 when there was little interest in debating aid policy by either the Australian government or any other government. In its 50 years ACFID has evolved through many changes in how aid should be delivered. It was a direct product of the aftermath of colonialism, the height of the Cold War and the optimistic hype of the first Development Decade of the 1960s, which was meant to herald a new era and had set a place for the then nascent international development NGOs. ACFID has emerged from its adventurous youth to the present with NGOs subject to many of the same dilemmas and contradictions that face all forms of aid.

The Cold War is now a distant memory, but in many respects global insecurity has worsened. The notion of a club of Western donors doling out aid to the former colonies of erstwhile allies for support in various conflicts is, to a large extent, also a thing of the past. The emphasis in the second decade of the twenty-first century is that aid should be used to help build a global order based on open trading relationships and more globalised economic processes, with increasingly powerful and confident development states such as China and India exerting their power and influence more directly. They are now major aid donors as well as emerging superpowers in their own right, seeking to shape global, economic and political processes.

NGOs, likewise, have come of age and are part of the development landscape rather than being treated as marginal players by governments as they were in the 1960s and 1970s. At the same time NGOs are being asked to account

for themselves to their governments and their supporter publics in new ways, and their assertions of effectiveness are no longer taken for granted but are being constantly tested. The internet revolution and the 24-hour news cycle have meant that information is readily accessible, and readily forgotten, as new fashions in aid and development emerge and fade. All of this represents real challenges for ACFID. The days when it could push, what to many was, a radical agenda or 'the politics of the warm inner glow' are past (Evans 1989, p. 1). While public support for NGOs remains higher than it was earlier, the causes that NGOs support and how they are expressed in public debates have changed (Kilby 2014). The right to self-determination through the support of national liberation movements has given way to the more prosaic and local effects of achieving the MDGs or improving aid quality (Biccum 2011, Hilton 2012). One area of resistance to the aid-for-globalisation juggernaut that ACFID has been part of is the notion of rights-based development, which fundamentally challenges the justification and traditional ways of delivering aid (see Chapter 6). In the 2010s, however, even rights-based development seems to be struggling to gain traction, due in part to its complexity and also to the difficulty of having the necessary local level advocacy in the face of increasingly suspicious, if not hostile, host governments (Kindornay et al. 2012).

This chapter will explore these and other challenges facing ACFID in the 2010s, and how it advocates for social justice in a more complex aid and NGO environment, such as dealing with the 'security state'. The 'security state' has emerged as a successor to both the liberal welfare state of the 1960s and 1970s, and the neoliberal state of the 1980s and 1990s (Mitlin et al. 2007; Hallsworth and Lea 2011; Murray and Overton 2011; Howell 2014). It brings with it an intolerance of criticism of state policies by what are seen as unelected or unrepresentative NGOs. The question then becomes how to change advocacy messages so NGOs are listened to (Howell and Lind 2009b; Christensen and Weinstein 2013); and whether peak bodies, such as ACFID with their complex relationship with government and diverse membership, are well equipped to do this.

Another challenge is the rapidly changing aid scene in which aid volumes have increased sharply from the early 2000s in response to global security crises, then fallen again in the 2010s with the global financial crisis of 2008 onwards as more conservative governments in Europe and Australia respond to domestic fiscal pressures with more nationalistic ideologies. Traditional aid donors now have competition from the so-called 'non-traditional' donors led by China that want to work by a different set of rules; the main one being non-interference in the domestic policies of recipient governments. This shift challenges the global policy consensus that has been sought since the 1980s around democracy and what good governance might look like (Glennie 2011; Howell 2012a; Mawdsley 2012).

These donor dynamics of the 2010s have not only weakened the influence of the neoliberal juggernaut, which dominated in the 1980s and 1990s, but they have also meant that human rights and social justice issues have also been relegated, with many local voices in developing countries silenced by the rise of more nationalist and authoritarian regimes. These human rights issues are further complicated by a massive increase in labour mobility and remittances in a time of more restrictive migration policies globally, leading to increased human vulnerability from being a migrant, an issue that development NGOs have generally avoided (Ronalds 2013). Finally, the question arises as to whether there is a need for many of the larger NGOs to have a peak body at all, as they are more integrated into large global networks, such as CARE, Oxfam and World Vision. They all have their own advocacy priorities and machinery and may see locally based advocacy and the level of public support for it as less important.

## A changing ACFID

In its early years, in the 1960s and 1970s, ACFID sat easily in the constructivist space of seeing the Third World as open to what Landolt calls 'norm diffusion': in some cases through aid, and in others through advocacy for a different type of aid dialogue (2004, p. 579). The argument put by NGOs and ACFID then was that aid programs, and philosophies which underpin them, should move away from the neocolonial positions of donors to provide greater support for self-determination and the NIEO. In the 1980s and 1990s, advocacy moved to challenge the neoliberal positions of donors and the conditions they set for recipient governments to receive their aid, which were about having smaller non-interventionist states in the developing world. This advocacy involved complex arguments which divided NGOs into those who advocated against the harsh structural adjustment regimes and those who sought to ameliorate its worst effects but still work from within a neoliberal framework (Biccum 2011; Lang 2012). Mitlen et al. (2007) refer to this period from around the mid-1990s into the 2000s as 'a period in which NGOs have had to come to terms with their entry, at scale, into the reform agenda' (p. 1709). The question became to what extent the neoliberal agenda should be resisted while at the same time being part of it by providing safety nets and the like. But perhaps this would lead to the worst of both worlds with an imposed set of values to produce what Biccum refers to 'as competitive cosmopolitan subjects' (2011, p. 1334; Christie 2012; McKinnon 2007). Where ACFID sits in the space is unclear due in part to the increased diversity of its membership (with an increase in smaller agencies with narrower agendas) and also to a less conducive advocacy space for debates around rights and self-determination.

The human rights agenda provided some counterweight to neoliberalism and anchored development in the local, but by the 2010s this had faded (Landolt 2004; Nelson 2007; Van Tuijl 2000). This was in part because of the return to a strong aid recipient nation state, which did not like being lectured to by middle-class activists in either their own countries or their Northern donor partners (Mawdsley et al. 2014). In a sense the NIEO had come to pass, and developing countries were now hostile to those NGOs who supported it in the 1970s. At the same time the Australian government was starting to constrain what ACFID could talk about in policy dialogues, and how public that policy dialogue should be. The change to a conservative Coalition government in 2013, and an aid program tied more tightly to diplomatic and strategic objectives, has meant that in the 2010s NGO concerns about human rights, basic needs and the MDGs have had less impact on government which places greater emphasis on economic growth and strengthening the private sector through the aid programs. This chapter will explore all of these issues and identify some trends for the future.

## The State is back

Following the terrorist attacks of the early 2000s in New York, Madrid, London and Bali against the West and Western interests, there has been a shift in development policy from neoliberal calls for a smaller state to one that strengthens the state, particularly its security agencies, but also more generally. One result of the change in development focus to the 'securitisation' of aid was a backlash by both donor and recipient governments against civil society and NGOs, with much greater levels of regulation on what NGOs and other groups could say or do (van der Borgh and Terwindt 2012; Howell and Lind 2009a; Bloodgood and Tremblay-Boire 2011; Howell 2012b; NewsBharati 2012). Aid has been used as part of the global 'war on terror' to build national security apparatuses and to improve services, particularly education services in places like Afghanistan and Iraq (Fleck and Kilby 2006; Azam and Thelen 2008). This 'hearts and minds' strategy was to reduce the influence and role in education of the more fundamentalist forces linked to terrorism (Howell 2014). Another part of this shift has been to reduce the reach of NGOs and civil society, particularly those that might have even remote links to local groups seen as supporting terrorism. The anti-terrorist clauses in most government contracts are quite draconian and almost unenforceable.<sup>1</sup>

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1 There is generally a requirement that there are no links with individuals and organisations on a very extensive terrorist list, with little support for verifying whether the data is correct or the names on the list are those being referred to. This places the onus on the NGO to verify what is usually beyond their capacity to do so.

This shift in approach by governments to NGOs, and an increased sense of nationalism among developing countries, has seen many countries not accepting civil society and NGOs as legitimate voices in political discourse. There are now stricter regulatory and funding apparatuses, including funding contracts that limit criticism of government policy by NGOs (Tiwana and Belay 2010). A study by Christensen and Weinstein found that over half of a sample of 90 developing countries either ban or restrict foreign funding of local NGOs, up from one quarter of the same list being restricted in 2005 (2013, p. 80). In Australia the restrictions have included the removal of tax deductible status of an advocacy NGO, later reinstated following a High Court appeal (see Chapter 8), and 'gag' clauses in government service delivery contracts preventing criticism of government policy. In developing countries the view of civil society and local NGOs as not being legitimate or desirable can manifest in ways ranging from physical harassment and intimidation through to the criminalisation of some NGO activities that are not in the 'interests' of the state (Christensen and Weinstein 2013).

Stigmatisation of opponents in speeches, documents, and the media often precedes the judicial criminalisation. Stigmatisation can legitimise acts of criminalisation, while detentions and criminal trials can have a stigmatising effect (van der Borgh and Terwindt 2012, p. 1071).

In the 2010s Russia, for example, adopted laws that required politically active NGOs receiving foreign funding to submit quarterly reports and register with the Justice Ministry as 'foreign agents'; the United Arab Emirates cancelled the operating licenses of two international NGOs working on democratic governance; Ecuador and Zimbabwe have banned NGO projects funded by foreign governments and multilateral organisations; and restrictive laws were either put in place or being considered in India, Bangladesh, Cambodia, Honduras, Iran, Singapore, Ethiopia and Venezuela (Christensen and Weinstein 2013). In India in 2012, the government cancelled the registration of 4,000 NGOs receiving foreign funds – more than 10 per cent of all NGOs registered to receive these funds – largely on the basis of the advocacy stances they took (NewsBharati 2012). In the Pacific a very successful Churches Partnership program in Vanuatu funded by AusAID was halted for a period at the behest of the Vanuatu government in 2012 due to the advocacy stance it took (Thomas 2012).

As well as a response to the security state, this clamp-down on NGOs is also due to a backlash against the Western donor focus on governance, democratisation and strengthening civil society among aid recipient countries (Christensen and Weinstein 2013; Lewis 2010a; Verweij and Pelizzo 2009). These shifts can be seen as a return to more corporatist forms of government, where an authoritarian state relates to a few powerful interest groups (typically business or religious) at the expense of the broader civil society (Kilby 2004; Baccaro 2003; Kamal 2012;

Howell 2012b). This mirrors an earlier crackdown on civil society in the 1930s when many international and local NGOs' activities were severely curtailed with the rise of authoritarian governments (Davies 2008, Kilby 2004).

The other aspect of the return of the 'big State' is the nature of the dialogue with NGOs and peak bodies such as ACFID. Because both NGO legitimacy and funding are linked to the nature of engagement with the state, then any 'falling out' can have repercussions on the NGOs. The difficulties ACFID had with AusAID under the Coalition government of the late 1990s and early 2000s (see Chapter 8), and the cuts in government funding to CCIC in Canada and CID in New Zealand, for example, have had a salutary effect on the sector and resulted in a shift by ACFID more towards lobbying rather than 'noisy' public advocacy about specific government policy (Millar 2013; Brown 2012; O'Callaghan 2013). There are two issues at stake: the first is having a seat at the table, and the second is being listened to. These issues affect the nature of the dialogue and the legitimacy that is brought to the table by NGOs. ACFID has always had a seat at the table as it represents the interests of more than 140 NGOs with nearly \$1 billion raised from the community for aid programs. At times ACFID's legitimacy has been put under question from some quarters, but generally it has had a hearing from government. Furthermore, as Chapter 1 pointed out, ACFID has had some important 'wins' over its 50 years.

At issue, however, is the level of compromise evident in the messages ACFID gives when it has a seat at the table; that is, whether NGOs are becoming unwitting carriers of the beliefs, policies and procedures of a global agenda which many of their partners in the Third World would oppose (Wallace 2009; Biccum 2011; Kamat 2004; Lang 2012). These beliefs are not necessarily in support of the narrow 'neoliberal' agenda of the 1990s. Few donors still argue for a smaller state and fewer bilateral aid recipients would accept the idea, but there is still a strong ideological focus of aid policy on the individual rather than the broader recipient community, and the obligations the state has to communities in delivering services and protecting community members' rights. NGOs can get caught up, almost inadvertently, in supporting a more individualist-based global agenda at the expense of the local:

[T]hey achieve stability by conforming to and reinforcing global understandings of what policy and participation should look like – hence the remarkable isomorphism of these organizations' agendas and strategies (Watkins et al. 2012, p. 294)

These compromises are the effect, in part, of how the developmental state has emerged and chooses to relate to NGOs. These new state structures are referred to variously as neostructuralism (Murray and Overton 2011) and a new form of corporatism (Kilby 2004; Baccaro 2003). While Peck (2004) still refers

to neoliberalism, he acknowledges that there may be many neoliberalisms, depending on local context, now based around the strong state. What these models all have in common is that the public benefit arguments of NGOs are generally ignored or suppressed in favour of particular interests, and so civil society and its NGO supporters are marginalised in this process (Murray and Overton 2011). The effect is that the social justice agenda and the calls for rights-based development have all but disappeared (Weber 2013; Howell 2012b). NGOs are restricted to offering 'pragmatic policy solutions within the confines of existing policy options instead of pursuing more general social, economic, and political change agendas' (Lang 2012, p. 91), or they risk being left out of the conversation as was the case for CCIC in Canada and CID in New Zealand in the early 2010s (Hobbs 2013; Purcell 2013; Smillie 2012; Murray and Overton 2011).

This broader shift in various national governance structures creates tensions for ACFID. In the 1970s what many saw as radical student rhetoric could pass as policy advice, but by the 2000s the tolerance levels of government to what it saw as unworkable, unrealistic, self-serving, or unhelpful advice was very low. The pressure on ACFID was not only to be 'on message' but also not to 'rock the (government) boat' by being too critical of its policies. ACFID's contract with AusAID in the 2000s was to provide policy advice and a forum for various consultations of government with NGOs, and so it is hard to be too publicly critical of government in this context. With around half of ACFID's budget being funded in one way or another by government, a precipitous cut in government funding, while not as catastrophic as the Canadian and New Zealand cases, would still limit ACFID in what it could do and, more importantly, possibly close avenues of dialogue with government, which is what frustrated CCIC in Canada (Purcell 2013; Hobbs 2013; Smillie 2012). Ian Smillie noted that the main effect of the CCIC cuts was to damage its members' sense of common purpose; but from the Canadian government's point of view the clear message was that:

'NGOs should be seen but not heard' ... [but] civil societies' strength comes out of not just speaking out but from willingness of government and others to listen. When voices are silenced governments become deaf and lose the ability to discern (2012, p. 282).

Speaking out is not enough: being listened to is the other part of the equation. If the public or government mood is not to hear NGO messages then new strategies are required, and working out what they should be takes time. In Australia there was another aspect of this advocacy question, and that is whose voice should be heard, and how is legitimacy earned? There has been an ongoing view from some within government, which dates back to the 1990s, that the dialogue with NGOs should be restricted to those with whom it has its major partnerships,

that is the (around) 10 largest NGOs,<sup>2</sup> as they have the largest constituency of Australian public support, accounting for about two thirds of funds raised (ACFID 2013). As discussed earlier (see Chapter 8), in the mid-1990s there was a move for the larger NGOs to separate from ACFID and have a separate forum with government, much like the British Overseas Aid Group (BOAG) in the UK (Hobbs 2013; Hunt 2012; Smillie 1999a).<sup>3</sup> In the early 2010s there were proposals that AusAID fund a facility, with matched funding from the 10 larger block-funded NGO partnership agencies, to look at aid quality and aid policy issues, both of which have been a central part of ACFID's mandate for most of its history (Purcell 2013). While these ideas did not eventuate, both examples point to the role of ACFID and NGO legitimacy, and how this legitimacy is demonstrated in the eye of government. Governments, in general, often do not like dealing with smaller, diverse and less broadly representative NGOs, even if they do represent an important niche constituency, such as those with disabilities, or a broader constituency but under-represented among the NGO cohort, such as women.

There is also another shift within NGOs, which also affects relationships with government and others, and that is the generational change in people who work for NGOs (Mitlin et al. 2007; Pearce 2010). Jenny Pearce notes:

While those who worked in Northern agencies in the 1970s and 1980s were politicised by their experiences of injustice in the areas in which they worked, and by the radical political movements of the times, the new generation comes from Development Studies courses. This has reinforced the influence of those development-agency managers who see the development business as just that: another area of enterprise which must compete with other agencies in the same enterprise (2010, p. 630).

While many younger NGO workers would disagree with the idea that working with NGOs is just another development business, the new worker in development is, however, more sceptical of the student radicalism of the 1960s and 1970s. While they might be open to the ideas of social justice they have far fewer models from which to promote social change, so to some extent are left with no alternative but to argue for a 'tweaking' of policy within a dominant paradigm (Biccum 2011; Lang 2012). The effect is a new form of conformity. In the 1990s the notion of 'professionalism' had a sense of irony and possible resistance about it (Ross 1988; ACFOA 1994c; Meyer 1992), but by the 2000s professionalism is taken very seriously by NGO workers (McKinnon 2007; Tomlinson and Schwabenland 2010; Wright 2012). As ACFID stalwart Wendy

<sup>2</sup> The number has varied over time from between five and 10, but at the time of writing it was the 10 largest NGOs.

<sup>3</sup> British Overseas Aid Group (BOAG) is made up of the five biggest NGOs in the UK: ActionAid, Oxfam, CAFOD, Save the Children and Christian Aid.

Rose noted: ‘the idea of professionalism can also “dumb us down” as we get caught up in being too “professional”’ (2013). The real test is, perhaps, to ask whether we are making business cases or social justice cases to assess the work being undertaken (Tomlinson and Schwabenland 2010). Part of the social justice agenda is advocacy.

## The advocacy agenda of the 2000s

In the 1970s and 1980s much of the advocacy agenda was about self-determination against unjust state regimes such as Biafra/Nigeria, Ethiopia/Eritrea, East Timor, Mozambique, South Africa, Bangladesh and others. By the 2000s the advocacy agenda was very much restricted to redressing some of the ills of modern (corporate or state) capitalism, and the relentless focus of aid policy on the individual to have a larger say in dealing with their own problems, whether it be through microfinance or user pays approaches in education or health care. While the welfare state has not vanished, it is questioned by many aid donors (Noel and Thérien 1995; Chang 2013). To some extent advocacy in the 2000s reflects some of these values, with a focus on access to trade markets for developing countries, improved health and education services, and increased and effective aid (Kamat 2004). There is now much less about rising global inequality and the poor, recognition of human rights, whether they be women’s rights or workers’ rights, but rather ‘world poverty is turning from an international to a national distribution problem, and that governance and domestic taxation and redistribution policies are becoming more important than aid’ (Pollard et al. 2011, p. 121).

The other question is whether the increasing levels of inequality will reach a ‘flash point’ at some stage, with increased internal, and possibly international, conflict. To some extent the rise of religious and other forms of fundamentalism and related terrorists attacks has been argued as a response to growing inequality (Benmelech et al. 2012; Krieger and Meierrieks 2010). While the link is debatable, the increased basic needs approach of the early 2000s through the MDGs and increased aid levels was seen as being in part a response to the threat of terrorism (Karnani 2011; Gore 2010; Bandyopadhyay et al. 2011; Azam and Thelen 2010). The problem, however, is that the MDGs have done little to counter the increasing marginalisation of minority groups and increasing inequality (Kabeer 2012; Fukuda-Parr 2010; Vandemoortele 2011). Vandemoortele points out that for every country that has reduced its levels of inequality, three others have increased levels (2011, p. 16). Studies suggest that development aid has a weak effect, if any, on actually decreasing inequality (Lundqvist 2014;

Chao et al. 2010), and an argument has emerged that if inequality is to be addressed then it needs to be much clearer in development targets such as the MDGs (Fukuda-Parr 2010).

While the question of rising inequality is being pushed within academia, NGOs and the UN, the reality is that with the election of more conservative and nationalistic governments, such as the Abbott government in Australia in 2013 and the Modi government in India in 2014, any advocacy in this area will have little traction, at least in the short term. The sharper emphasis on economic growth in national aid and development policies by these governments is more likely to result in further increases in inequality in developing countries, with the possibility of quite harsh social and political consequences. Piketty (2014) argues that the ever-rising concentration of wealth and patrimonial capitalism is not self-correcting and, if not directly dealt with by state policy, is counterproductive to the political order of the state in the long run and may directly or indirectly threaten global security as well.

The debates of the 1970s described by Lissner (1977) about the relationship and contradictions between NGOs supporting the fight for social justice and those providing services to the poor to fill the gaps left by government programs have faded. The focus in the 2010s is mainly on the supply of services either by government or by NGOs and how that is best done. Advocating for broader social change has largely slipped off the NGO radar, not because they are unaware of the issues but more because these issues do not gain traction with government or their supporter base. An advocacy focus on broad social change could jeopardise the effectiveness of other messages being given, or even NGO funding.<sup>4</sup> The challenge for the 2010s and beyond is how to link with activist movements to have a complementary approach to campaigning on social justice issues, to be more strategic in how that engagement occurs, and what role peak bodies like ACFID have in that process (Bennett 2004; Weber 2013).

There is also a marked difference from the campaigns of the 1970s and 1980s, which were about the injustices in nascent Bangladesh, and Australia's inaction; the anti-apartheid movement; East Timor; and World Bank lending policies, which all highlighted clear national injustices and the West's complicity (see Chapter 3). The main criticism of NGO advocacy in the 2010s is that it seems to be supporting a broader neoliberal paradigm. The argument is that the direction of the current aid program is generally fine, and it is just a question of increasing aid volumes and some tweaking around perhaps a closer alignment with the MDGs and the like (Biccum 2011; Kamat 2004; Lang 2012). The counterargument is that the globalisation battle is lost and all that NGOs

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<sup>4</sup> The cut in funding for CCIC has been put down to the fact it defends a member with a strong social justice focus (Weber 2013).

can do is to make sure the poor benefit rather than lose out from the changes that a more globalised world brings (O'Reilly 2010; Wallace 2009). The problem is, as mentioned above, the consequent inequality: '[In the 1940s] the renowned Indian political leader Dr Ambedkar predicted an intensification of the contradiction between political equality and economic and social inequity', and it seems little has changed (Alston and Robinson 2005, p. 5).



**Figure 14 Make Poverty History Campaigners 2006.**

Source: Michael Myers/OxfamAUS.

The question for ACFID in its advocacy is how to deal with this challenge, and how to promote a rights-based agenda in an aid and policy environment in which there is an assumed consensus on appropriate economic growth-based approaches. The alternative approach of rights-based development seems to have lost the traction it had in the early 2000s (see Chapter 6), when it was seen as a way to add structural issues to what many saw as fairly instrumentalist MDGs, framed in society averages rather than spelling out rights and obligations of all (Sarelin 2007; Nelson 2007). ACFID and others argue that the MDGs are very much set in a human rights frame, but this has been 'lost in translation' in moving to their implementation (ACFID 2009; Vandemoortele 2011).

## Aid quality

The third issue that is a challenge for ACFID in the 2000s is the aid quality debate, which has become much sharper, more focused and more sceptical of the quality of NGO work than even at the height of the debates of the 1990s (see Chapters 1 and 8). ACFID had already begun work on NGO aid quality in the 1980s and set up the Development Project Appraisal and Evaluation Unit in 1985 in response to questions of NGO aid quality (ACFOA 1985a), and there has been a group of people undertaking this role in ACFID ever since. In the 2010s the Code of Conduct has provided a basis for expanding the work in this area, with quality criteria being slowly added.

While the reviews of the AusAID-funded NGO programs of the 1990s and early 2000s clearly demonstrated NGO work was effective, and presumably of good quality (AusAID 1995a, 2002; ACFOA 1995d; Fowler 1997), that evidence has been largely ignored, and others have argued that NGO aid more broadly was not effective (Boone 1996; Mosley 1986). In the 2010s the question of the effectiveness of NGOs and their work refuses to go away. There are still arguments that NGO aid is either not effective in reaching the poor or no better than bilateral aid (Nunnenkamp et al. 2009; Dreher et al. 2010). These arguments tend to ignore the evidence supporting NGOs; for example, from the IMF that NGO aid is effective compared with bilateral aid and it does reach the poor (Yontcheva and Masud 2005; Nancy and Yontcheva 2006). Roger Riddell (2007) has found that most studies show NGO work to be very effective in meeting their immediate objectives. The arguments that the long-term impact of NGO work may be weak can be countered by the fact that most of these impact studies tend to ignore the strong empowerment effects and local networking effect that NGO programs have, and so the broader impact may be understated.

The aid quality debate is linked to the cost-effectiveness debate. NGO programs, by virtue of being small compared with bilateral programs, are seen to have much higher transaction costs to administer if the same standards are to be applied. While these costs can be reduced by having multi-year agreements for block grant funding and quality assurance through accreditation, the pressure is still on donors to reduce costs. An easy way to do that is to reduce funding to NGOs with an argument that NGOs are either ineffective or no more effective than bilateral programs, which is what happened in the 1990s (see Chapter 8).

## The Paris principles

It was the series of terror attacks of the early 2000s, mainly on Western targets, which built a new imperative for aid. This time, however, unlike the previous 40 years, aid had to be effective, provide good value for money and

be an efficient use of resources (Doucouliagos and Paldam 2009; Brown 2012). In a 2010 study of DAC donors and UN agencies, Australia was ranked in the middle of a group of 30 donors and failed to make the top 10 in any of the four aspects of quality being examined (Birdsall and Kharas 2012).<sup>5</sup> This is partly to do with the criteria used but also with the disparate nature of the Australian aid program in how it deals with different issues and different agendas. Of course none of this was new. One way of dealing with the quality issue is to promote a common approach to how aid is delivered. Effectiveness was seen among the Western club of donors, the DAC, as the way forward and that was through the Paris Principles of Effective Aid.

In 2000 there were a number of meetings among DAC western donors to come up with the Paris Principles of Effective Aid, summed up by Armon:

Aid at its most effective is harnessed to plans owned by beneficiaries, channelled through their own systems, with progress indicators agreed and reviewed by all stakeholders. It is harmonised, untied, long-term, and predictable, with strong mechanisms of mutual accountability built in (2007, p. 653).

Even though there have been some attempts to link human rights to the Paris Principles, this did not happen (Foresti et al. 2009; Eyben 2013). Another issue is that the short-run political considerations by government tend to militate against any transformational policy process being posited by the Paris Principles; and growth alone may not be enough to trigger the necessary changes (Booth 2012). By the 2010s, and the Busan DAC conference of 2011, the Paris Principles had all but disappeared, as economic growth and the need to accommodate the priorities of a set of Southern donors, the BRICS, had come to prominence. In particular China, as the main player in this group, acted as a counterbalance to Western donors and their interests (Glennie 2011; Mawdsley, Savage and Kim 2014; Eyben 2013). The implications for international NGOs and their aid programs remain unclear. Western donors may continue or even expand aid to NGOs and civil society as a counterpoint to the BRICS' programs, or they may wish to harmonise and reach a common understanding with the BRICS and downplay the role of NGOs and civil society.

The key challenges for the aid quality agenda for both NGOs and government is that development is a political process rather than a depoliticised technical one, which has been a result of the Washington Consensus of the 1980s. Whether the arguments against technocratic approaches can be won is doubtful, despite the evidence for example that the formation of alliances and partnerships

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<sup>5</sup> The four are maximising efficiency, fostering institutions, reducing the burden on recipient countries, and transparency and learning.

that challenge prevailing norms are far more effective than processes that '[skirt] around issues of overt contention' (Hughes and Hutchison 2012, p. 21). In a similar vein, Eyben argues for a move to 'relational aid' in which 'aid recipient countries [are seen] as real places rather than a category' instead of the current approach of 'substantialist aid' (2010, p. 390).<sup>6</sup> Of course these debates for NGOs are not straightforward, particularly in an environment when NGOs entering any sort of political debate, as noted above, is being increasingly frowned upon. On the plus side NGOs are, as Mitchell and Shmitz put it, driven by 'principled instrumentalism'; that is, they are flexible enough to adapt so their principles are not compromised but they are still able to do their work (Mitchell and Schmitz 2012). However, the question is: how far can principles be 'instrumentalised'?

In the future ACFID and its members will be facing the twin challenges of being more directly accountable for the effectiveness of their programs, probably in a technocratic sense, and so arguing the political economy of 'contention' referred to by Hughes and Hutchinson, and Eyben, will be increasingly frowned upon. This is especially so in an official aid program that is integral to foreign policy, and where the social space to speak out for those most marginalised will also be reduced. The result will be a further endangering of the quality of the aid program in terms of reaching the poor and marginalised. How effectively ACFID engages in this debate will be a measure of its own effectiveness.

## Engaging with the emerging donors

Since the early 2000s the so-called 'emerging donors', the most prominent being China, represent a clear challenge to the erstwhile Western donors represented by the DAC. These donors include the BRICS, which have been involved in aid to their neighbours for many years. The volume of aid they are providing in the 2000s and 2010s has brought these donors to greater prominence so they are now being included in a greater number of aid forums, and they are acting as a bloc in forums such as the G20 and at the UN (Lieber 2013; Wade 2011; Harris-Rimmer 2013). This group has offered an important and increasingly effective counter to Western development policy, especially the policies of the World Bank and the IMF. Since the Asian economic crisis in the mid-1990s, the IMF has been weakened, particularly in the Asia Pacific where its poor policy advice and the conditions for a funding bailout were making matters worse and most Asian countries simply stopped taking IMF loans (Kilby 2012; Ito 2007). Since then

6 A substantialist perspective sees the world primarily in terms of pre-formed entities in which relations among the entities are only of secondary importance. Substantialism allows us to observe, classify and ascribe essential properties to concepts, such as "international aid" (Eyben 2010, p. 385).

China in particular has challenged the IMF in offering alternative financial support arrangements without IMF conditionality, for example to Angola and Chad, so that by the early 2010s China was a larger provider of adjustment loans and concessional finance to Africa than either the IMF or the World Bank. As Chin put it: ‘The Chinese approach to development finance is not only different from that of the DAC regime, but it also undercuts the influence of the World Bank, [and] in some cases of potential lending’ (2012, p. 212).

The BRICSs, and China in particular, see themselves as a counterweight to the dominance of the US (Harris-Rimmer 2013; Wade 2011). They put pressure on the role that civil society can play:

Inviolable sovereignty in the World-Without-the-West rejects key tenets of “modern” liberal internationalism and particularly any notion of global civil society or public opinion justifying political or military intervention in the affairs of the state (Barma et al. 2007, p. 23).

Western donor policies aimed at strengthening civil society in developing countries have been around since the 1980s, either as a part of a broader neoliberal agenda to reduce the role of the state and have non-state actors take over some functions, or as part of the rights-based development agenda which sees civil society as a mechanism to hold local state actors to account. With the end of the Washington Consensus and its replacement by the ‘Beijing Consensus’ (Kjøllestad and Welle-Strand 2010; Kennedy 2010; Dirlik 2006), with a greater role for government in development and a singular focus on rapid economic growth, the scope for NGO involvement is considerably narrower as service providers and most certainly as civil society organisations with a voice representing the poor and marginalised (Halper 2012; Spires 2011). The challenge for ACFID and its members in this rapidly changing, and threatening, context is how to support its partners in developing countries which have hitherto been largely silent.

## Managing the political cycle

Aid policy tends to follow the political cycle: conservative governments support more mercantilist and business concerns for economic development with a strong growth focus while liberal–democratic governments follow more traditional human development and humanitarian concerns with an equity focus (Fleck and Kilby 2006). Conservative governments are also generally less generous as bilateral donors than liberal–democratic governments are (Brech and Potrafke 2014; Tingley 2010). Donors with fully independent aid agencies may be less

prone to policy-based cuts (Bertoli et al. 2008; Fuchs et al. 2014). The relationship with NGOs is also reflected in the political cycle, with funding to NGOs being inclined to increase at a greater rate under liberal–democratic governments and decline, at least in real terms, under conservative ones. This has been the case to varying degrees over the last 50 years in Australia, Canada, the UK and the Nordic countries (Brown 2012; Smillie et al. 1999; Hilton 2012).

Since the 1960s Australia has had four independent reviews of aid, including the Harries Committee, which devoted a section on aid as part of a broader review of Australia’s relationship with developing countries (ACFOA 1978d; Miller et al. 1980; Harries Committee 1979). Apart from Harries the other three reviews have all emphasised an important role for Australian NGOs in the official aid program (Jackson Committee 1984; Simons et al. 1997; Hollway et al. 2011). Harries argued that as aid was an expression of national interest there was little place for NGO aid beyond to it ‘being a catalyst for wider public support’, which is what the ANCP at the time was aimed at doing (Harries Committee 1979, p. 140). While government has tended to support the recommendations of these reviews, the emphasis on supporting NGOs has also followed the political cycle so that in the 1970s and 1980s the volume of aid provided through NGOs increased under Labor governments and had real falls (as a proportion of the aid program) under Coalition governments.



**Figure 15 Young Australians from every federal electorate across for Make Poverty History Australia, March 2013.**

Source: Sarah Pannell/Oaktree.

The challenge for ACFID is to manage the process of responding to and influencing government aid policy within the political framework of government, while at the same time ensuring the independence of NGOs to undertake their own work but being able to receive government support for that work. The argument by Harries in 1979 that government funding can be used to lever more funds from the Australian public was true. But it only went so far as there is also a role for NGOs in the broader official aid program, as the subsequent reviews pointed out (Jackson Committee 1984; Simons et al. 1997; Hollway et al. 2011). With the official aid program in the 2010s shrinking and more tightly integrated into the nation's foreign policy, the ability of NGOs to support partners in developing countries fighting for their rights or advocating policies at odds with their government's policies may be under some threat, as the door closes for broader NGO funding beyond the ANCP, and it has little prospect of growth in the context of a declining aid budget. In the ACFID strategic plan for 2015 onwards, there is a move to engage the public more directly on the broader challenges of human development as a way to build a constituency for aid, much like the global education programs of the 1970s (Purcell 2015). How well this plays out in a quite different global context will be interesting to see.

## Conclusion

Over its 50 years ACFID has come full circle. From the early optimism for development and the role that NGOs might have in it, and from a strong global education focus in the 1970s, it has moved to building a strong relationship with government and issues-based campaigns of the 1980s. Since the early 1990s the relationship with government, and the role of ACFID, has grown more complex. While NGOs were more prominent, they are now also under more scrutiny. There is a threat that their 'voice' may be stifled with the rise of more nationalist and corporatist styles of government emerging in the 2000s. In its first 25 years, ACFID was able to speak freely and publicly on the issue of social justice, and to provide an important forum for its members to learn and share from each other. In the last 25 years, however, it has had to become more circumspect in its relations with government. As a forum ACFID now plays a much stronger role with its growing and more diverse membership, with the defining issue being the expanded Code of Conduct and its focus on aid quality and NGO accountability (see Chapter 9). The challenges in the 2010s are how to maintain that focus when there is a diminishing official aid program for NGOs; a narrowing of the political space in which partners can operate; and how ACFID can continue to be the rallying point for its members and a voice for social justice.

The opportunities for activism and promoting rights-based approaches have narrowed in the 2010s. There is reduced enthusiasm for them both in donor and recipient governments, which means that the social justice space that NGOs can carve out is limited, and can even threaten the survival of their partner NGOs in developing countries. Davies (2008) argues that the political threats to global civil society in the 2010s are on par with or even greater than they were in the 1930s, when the number of NGOs halved from a peak in the 1920s.<sup>7</sup> How a peak body like ACFID meets the challenge of these threats, when government concerns are more about policy alignment than social justice, and NGO partners are being squeezed by even sharper regulatory and funding pressures, remains to be seen.

The 50 years of ACFID have seen it move from an era of activism around self-determination, with East Timor being probably the stand out, to global education and advocacy, and dealing with greater engagement with government as both a funder in the 1980s and a regulator in the 1990s. Conflicts arose internally in the 1970s around global education and taking politically contentious stances on the social justice issues of the time and externally with government in the 1990s over high levels of NGO funding and questions of effectiveness and accountability. As a social justice organisation ACFID has to raise and advocate for these issues. The question is what is the most effective way to do it in a more hostile political environment, not only for NGOs globally but also for civil society more broadly?

The areas where ACFID has had mixed results are humanitarian programming and changing gender policies among its members. In the case of humanitarian and emergency programming IDEC was essentially a victim of its own successes (see Chapter 5). The Cambodian and Live Aid work showed what a coordinated approach through a single fund could do for disaster responses. But the politics of dividing up the money, and the perceived need to promote more and more humanitarian crises for little return after the public had long lost interest, led to some soul searching. ACFID found its niche as a coordinator and a forum for dealing with issues, including being a point of accountability, as was the case with the Indian Ocean tsunami. The unresolved issue of humanitarian programs is the ethical one for which there may not be an answer, and that is how to ensure those in most need are being reached without being enmeshed in the politics and ethical dilemmas of the conflict – lessons hard learnt from Biafra, Cambodia, and Rwanda.

ACFID has challenged its members on good gender practice since 1975, both within agencies and in their programs (see Chapter 4). The gains have been hard won and often lagged behind broader society and many of their NGO peers.

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7 While the 1930s Great Depression was one cause of this drop, the political pressures on NGOs from authoritarian governments was also part of the explanation.

In the 2010s family and domestic violence is being seen as a development issue by ACFID members more broadly, but there may be some way to go for most of ACFID's members to see family violence as emerging from structural issues in society, and being prepared to advocate at that level. Within ACFID the issue of gender is still seen as a women's issue, with few men as gender activists involved.

ACFID has managed to continue to anchor itself in the founding principles of social justice and human rights, and the challenges outlined in this chapter and the book more broadly are certainly not insurmountable. ACFID led the world with its Code of Ethics, later to become the Code of Conduct, a code that continues to evolve. The growing membership of smaller NGOs, which may be less engaged in some of the broader issues, may also present a challenge to the executive and secretariat. But likewise such a broad membership is crucial for ACFID's credibility, as Sir John Crawford the founding president and Brian Hayes the first executive director in the late 1960s knew only too well. ACFID has proven very adept over the last 50 years at leading and challenging both government and its members, while surviving its own internal pressures and divisions. The Greek chorus referred to in Chapter 1 is still in good voice but with perhaps a subtler tune. This is the legacy of ACFID in 2015.

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