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The Role of NGOs in Development
Management:
A Public Action Approach

by

Alan Thomas

DPP Working Paper No 40

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1998



Development Policy and Practice Research Group

Faculty of Technology

The Open University

April 1998

Paper presented to the Public Sector
Management for the Next Century
Conference, IDPM and the University of
Manchester, 29th June - 2nd July, 1997

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The Role of NGOs in Development Management: A Public Action Approach¹

by Alan Thomas²

Abstract

The conventional two-sector approach (public vs private) is still often used in analysing the role of different kinds of institutions in development. 'Public' may be equated to state sector; private sector provision of services argued for on the grounds of superior efficiency through the market, except where state provision is justified by reference to market failure or by the need for intervention to achieve specific social objectives.

The place of NGOs in this scheme is rather contradictory. On the one hand they are taken to be a type of private agency, with the implication that like private firms their provision of services is intrinsically more efficient than state provision; on the other hand, NGOs may be less subject to certain forms of market failure (such as moral hazard) than for-profit private firms, and may also be good vehicles for realising social objectives. Thus there is a need for a framework which takes more specific account of NGOs, their rationales and the way they regulate their activities.

This paper suggests a theoretical approach combining a multi-sector rather than two-sector framework with use of the concept of public action, avoiding the assumption that state agencies are the only ones that can act in the public interest. It discusses the literature on the economics of non-profit organizations, which analyses the circumstances in which non-profits have advantages over both for-profit firms and government agencies, and considers how such an approach can be applied to the role of NGOs in development. It also goes beyond the definition of the third sector as a residual category (*non-profit* and *non-governmental*) to discuss different possible underlying rationales for a third (and even a fourth) sector that would distinguish it from a private sector based on self-interest and market exchange and a state sector based on legitimate authority and coercive redistribution. In particular, NGOs, as members of this third sector, are presented as "value-based" organizations.

¹ A version of this paper was presented at the conference on Public Sector Management for the Next Century, organised by the Institute of Development Policy and Management, University of Manchester, 29 June - 2 July 1997. 'Thanks are due to those who contributed to the discussion of the paper at the conference, as well as to those colleagues in DPP who made comments'.

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Like other third sector organizations, NGOs differ, notably as to whether they are primarily for *mutual* benefit, for *public* benefit, or for *client* benefit, and in which specific values they promote. This view of NGOs as value-based but differentiated fits readily with the notion of 'public action', put forward to include actions by NGOs and other agencies in promoting collective private or perceived public needs. Thus a framework is developed in which the underlying value-based rationales of NGOs can be used to deduce the areas where they will tend to have a role for reasons other than those of economic efficiency. However, using the framework leads to an emphasis on how agencies interact rather than which type of agency is superior.

1. The problem

What should be the role of non-governmental organizations (NGOs) in development and development management? Undoubtedly they have become of great importance numerically, politically and in terms of influence on debates on development - and their importance is still increasing. There are claims for the "comparative advantage" of NGOs and also rebuttals of such claims - generally studies showing how NGOs failed in certain cases to do well what they are supposed to be good at. Both of these types of argument seem to miss the point. The rationale for the specific role of NGOs should, it seems to me, not just be a list of claims but be rooted in what NGOs are.

Unfortunately, these arguments are all too often conducted without challenging the conventional two-sector framework (public/private, state/ market) so that NGOs do not fit well and tend to be defined in terms of what they are not (non-profit, non-government). On the other hand, once a positive rationale for NGO activity is constructed, showing that NGOs sometimes or even often fail to perform well is no argument against that rationale, any more than cases of business failure constitute a general argument against capitalism.

This paper aims to develop a theoretical approach that allows a positive and specific role for NGOs in development management alongside other types of agency. It combines a multi-sector rather than two-sector framework with the use of the concept of public action rather than construing the word "public" to imply "public sector". The next section discusses the conventional two-sector framework and how NGOs fail to fit easily into it. Then the following two sections lay out first the space for NGOs in a multi-sector framework and then a positive rationale for how they might fill some or all of that space. Two further sections discuss the suggested use of the organising concept of public action in this new framework and how to apply the framework in the international or global sphere. The concluding section uses the framework to suggest that the most important questions in development management may be about relations between development organizations and other agents from the same or different sectors,

rather than about whether one sector is superior to another in how it manages development problems.

2. The contradictory place of NGOs in the conventional two-sector framework

A good example of the conventional two-sector framework used in analysing the role of different kinds of institutions in development was given by Beynon et al (1995) in a background paper for the ODA (as it was then) Natural Resources Advisers' annual conference. This particular paper was about the provision of rural services but it illustrates clearly the general way in which the two-sector approach is used by donor agencies and others.

Though not stated explicitly, two important underlying assumptions are: that state agencies are the only ones that act specifically in the public interest so that public sector equates to state sector; and that the behaviour of private agencies is basically market-oriented (except where subject to state regulation). Except as private agents, there is no specific place in this framework for NGOs (or community based organizations - CBOs) and the basic argument for private provision of services on the grounds of superior efficiency through the market is held to apply also as an argument for NGOs and CBOs to be allowed a role.

Beynon et al argue that, since private provision is intrinsically more efficient, state provision must be justified by reference either to one of five forms of market failure (public goods; externalities; market power and economies of scale; information and risk, including 'adverse selection' and 'moral hazard'; and the costs of establishing and enforcing agreements), or to intervention for specific social objectives such as redistribution in favour of the poor, empowerment of women, reducing environmental degradation, and so on. This second reason is almost equivalent to the definition of development management which I have put forward elsewhere (Thomas, 1996), though that definition also included the notion of value-based conflict as part of the context for development management. Thus the two-sector framework justifies the notion that development management in terms of intervention to achieve broad social and developmental goals is essentially an activity for the state, while perhaps downplaying the areas of contestation lying behind those goals.

NGOs (and CBOs) occupy a contradictory place in this two-sector framework. On the one hand they are seen as a type of private agency (indeed in US parlance they are often called "private voluntary organizations" or PVOs rather than NGOs see e.g. Tendler, 1982) and hence subject to market discipline and likely to be efficient as a result. On

the other hand, as Beynon et al themselves note (1995, pp.46-48), NGOs and CBOs may be less subject to certain forms of market failure (such as moral hazard) than for-profit private firms, and may also be good vehicles for social objectives. Thus, in practice, developing country governments and donor agencies may favour NGOs and CBOs where they would not favour for-profit firms, although the underlying framework regards them as part of the same sector. Clearly there is a need for more specific account to be taken of NGOs and CBOs, their rationales and the way they regulate their activities.

Before going on, it is worth pointing out that the two-sector framework persists in the development debate despite at least two points specific to the international development context that one might have expected to have led to its inadequacies becoming clear.

First, the idea that state agencies have a monopoly on the public interest seems particularly inappropriate in the international sphere and in the case of developing countries, where weak states often lack the capacity to provide universal public services or to promote development across the board. Global issues such as environmental degradation clearly involve questions of the public interest while being beyond the capacity of states, even the strongest, to deal with alone. On the other hand, in many, if not most parts of the world, local communities and particular groups find their collective needs not met either by market or state.

It is in attempting to meet particular local needs or articulate the interests of particular groups that NGOs, from the local to the international, come into their own. Thus the second point that might mitigate against the continuation of the two-sector framework is the very growth of NGOs themselves. One might expect a concomitant growth in pro-NGO thinking to be promoting the idea of NGOs either as a sector in their own right or as part of a distinctive third sector. Indeed, there is an increasing body of literature in this vein (e.g. Korten, 1990; Uphoff, 1993). However, much NGO activity has been concentrated on the practical, typically trying to cope with huge problems with limited resources. Perhaps more surprising is the way the two-sector framework has been maintained, at least by default, in the thinking of many proponents of the role of NGOs in development. A pro-NGO argument is often put in terms of what is wrong with development by government agencies. Stewart (1997, p.12) quotes the following as a good example of "the anti-government position":

"For government the primary relationship with beneficiaries is one of control, while for NGOs it is one of voluntarism. Governments cannot avoid relating to its (sic) citizenry both as policeman and as promoter."
(Fowler and James, 1995, p.15)

Stewart goes on to point out the overlap between this and the kind of neo-liberal orthodoxy that underlies the arguments of such as Beynon et al, and continues:

“If the state is wholly bad, there is only one alternative and it is private - either private development organisations (NGOs), or the market. This contributes to a very specific definition of NGOs as something to be funded as an alternative to governments or states and furthermore something to be funded because of what they are not (government), rather than because of what they are.” (Stewart, 1997, p.12)

3. The space for NGOs in a multi-sector framework

In fact, various writers in other fields have moved towards a multi-sector rather than two-sector framework for analysing the role of institutions. There is a considerable literature on the economics of non-profit organizations which analyses the circumstances in which non-profits have advantages over both for-profit firms and government agencies (see e.g. Hansmann 1980, 1987; Ben-Ner and Van Hoomissen, 1991; Gui 1991). This literature uses the concept of government failure as well as that of market failure, but does not assume that government failure means "leave it to the market" or that market failure implies the necessity of state provision. The differentiation between different types of goods (club goods, collective goods, etc. as well as pure public and pure private goods) not only implies a third sector alongside the private for-profit and government sectors, but also implies differentiation within each sector (or possibly more than three sectors).

One limitation of orthodox public goods theory, which extends to becoming a criticism of this literature on the economics of non-profit organizations, is that it is framed in terms of supposed inherent characteristics of various goods and services. A less fixed and more political view is called for. It makes sense to broaden from economic activity to the whole variety of human activity in which organizations such as NGOs can be involved, and in particular to consider power relations and how more powerful agents can regulate the activities of others, helping to define what is or is not a private, collective or public good. Wuyts (1992) puts it like this:

“...public goods are socially defined and constructed: the outcome of complex political processes which evolve around the definition of public need in response to poverty and deprivation in society. Public goods, therefore, result from public action prompted by these perceived public needs. The character of public goods will differ depending on the

specific complex co-operative and conflicting relations within society in the past and at present." (Wuyts, 1992, p.31).

I will come back to the concept of public action and how to apply it to the role of NGOs in development management. For the moment, despite the limitations of this type of theory, it is still worth noting some of the implications of the economics of non-profit organizations for the role of NGOs in a multi-sector framework.

The main areas of market failure have been mentioned above. Government failure, on the other hand, can be characterised mainly in terms of the lack of incentive for governments to go beyond what is necessary to maintain their legitimacy. Thus governments have an interest in maintaining universal provision of public services, but not to go beyond the minimum necessary to achieve this, especially where resource constraints are severe. This may mean defining public needs in terms of rather uniform standards, and playing down demands for variety or for new aspects of public need which would compete with resources with the established areas of provision. Governments also tend to fail to meet the special needs of groups whose support they do not require in order to remain in power. If subject to democratic election, the concept of the 'median voter' comes into play. Government services need not go beyond what is necessary to satisfy half (or slightly more than half) the population. In particular, governments are unlikely to meet the needs of the very poor or minority elements, especially if they have specialised requirements.

Combining these ideas of government failure with the various types of market failure, one arrives at several quite distinct areas of human activity characterised by both (see e.g. Gui, 1991), which thus constitute 'space' for a third sector, and hence NGO, activity. Some of these are under-represented by both state and private for-profit provision, whereas others are areas particularly appropriate for voluntary or non-profit activity even though government agencies and/or private firms are active. For example, social welfare and the relief of poverty is one such area, particularly where poverty is concentrated in specific minority groups which are not well represented politically and have little purchasing power. Another is the provision of a variety of different specific quality services for different small groups, where there are economies of scale and a need for high collective investment. Religious education and cultural services for highly culturally differentiated populations are examples here, and this can apply even where the populations concerned are relatively wealthy ('high' cultural activities such as opera, with a specific group of devotees, are often promoted by non-profit organizations in Western countries). A third area comprises services typified by a high degree of information asymmetry between provider and recipient, where the market cannot be relied upon to maintain quality and the state may not be able or willing to

provide resources for regulation. These include those subject to 'moral hazard', where a private for-profit provider will be tempted to 'cheat', and include nursery education, care services for the mentally infirm, and many others.

A final example is the area of innovation. Dealing with new problems, finding new ways of dealing with old problems, or the articulation of responses to new areas of need, are not necessarily done well either by for-profit firms or by government agencies, particularly where those immediately affected are poor, under-represented politically, a numerically small group, unable to check the quality of services offered, or all four. Indeed, voluntary non-profit agencies have often been at the forefront of developments in response to newly perceived areas of social need, and NGOs continue this tradition on an international basis. Here it should be remembered that many of what are now regarded as standard areas for state provision in liberal democratic Northern countries, such as water and sanitation services, health care and public education, were first articulated as public needs by voluntary, charitable or mutual societies (see e.g. De Swaan, 1988).

4. A positive rationale for NGOs: value-based but differentiated

Figuring out which areas of activity are potentially appropriate for third sector organizations is all very well. However, it is still arguing for voluntary and non-profit organizations such as NGOs because of what they are not (non-profit, non-government), and it only gives half the argument in that while it shows why private firms and government agencies may 'fail' in certain areas it does not show why NGOs, say, might 'succeed'. It is also necessary to find positive arguments for NGO activity which will show which areas they should favour. These areas may coincide to a greater or lesser extent with those of government and market failure.

Indeed, one might turn the argument on its head and assume that voluntary association or co-operation, say, is the preferred mode of human activity except in cases of "voluntary association failure". However, it would first be necessary to agree that voluntary association was indeed the basis for third sector activity. In fact, there has been considerable discussion of different possible underlying rationales for a third, and even a fourth, sector, much of it outside the field of development as such. Indeed, it is quite well established that the private sector, based on a rationale of self-interest and exchange through the market, and the state sector, based on a rationale of legitimate authority and coercive redistribution, are both defined to a large extent as modern sectors contrasting with a 'traditional', 'community' sector, based on a rationale of mutuality, reciprocal relations and ascribed roles. In practice, of course, 'traditional' communities were often narrowly parochial and restrictive towards their members, and

recent attempts to invoke their values such as Etzioni's communitarianism have been criticised as overly authoritarian. The question is whether a distinctively modern sector can be defined based on some of the positive values of community but with more openness and universality. Streeck and Schmitter (1985) discuss whether voluntary association can form the basis of what would effectively be a fourth sector.

Many authors agree that the third (modern) sector should not be defined as just a residual category (*non-profit* and *non-governmental*) but consists of "value-based" or "value-led" organizations (Paton, 1991; Hudson, 1995), though which values are to the fore is subject to much debate. Suggestions include charity (Butler and Wilson, 1990), voluntarism, membership (Stryjan, 1989), trust and solidarity (Gherardi and Masiero, 1990), enthusiasm, and co-operation (Brauer, 1997), amongst others, while Anglophone writing on the non-profit, voluntary or third sector is paralleled by mostly French and Spanish writing on the "économie sociale" (see e.g. Defourny and Monzón, 1994).

Thus while the third sector is distinguished from the private and state sectors by its value basis, the variety of values involved suggests a similar variety of types within the third sector itself. The importance of distinguishing *between* third sector organizations extends to the question of for whose benefit a particular organization exists. Thus Handy (1988) distinguishes between voluntary organizations for *mutual* benefit, those for *client* benefit, and those for *public* benefit. Note here that as discussed below the definition of *public* (including public need and public benefit) is much contested, and for some public, benefit includes the other two. In any case Handy also points out that over time many if not most successful voluntary organizations tend to combine elements of all three categories of benefit. Indeed organised voluntary action in any category can be seen as combining the human impulse to act directly in response to a perceived need with the need to pool resources by acting in groups. Perhaps the best attempt at defining this impulse in terms of a single value is Polanyi's (1957) idea of reciprocity, where goods, services, or effort are given freely not for immediate exchange but in the expectation of reciprocal assistance being available when required (a similar notion underlies Titmuss' (1970) 'gift relationship'). However, a general understanding of voluntary or non-profit organizations must also recognise that they are often small and specific in their area of operation. Thus it seems most appropriate to consider the third sector as consisting of organizations which may all be value-based and rely on reciprocity but which are based on a variety of specific values and focus on the needs and interests of particular groups.

How can such ideas be applied to the question of the role of NGOs in development? First there is a question of nomenclature. Some writers use the term "NGO" to include

more or less all entities which are non-profit, non-governmental and have a minimum of formal organization. Generally speaking political parties and religious congregations are excluded, but since these are conventionally not regarded as voluntary organizations in any case (Salamon and Anheier, 1992), this means that for such writers the NGO sector is coterminous with the voluntary or non-profit sector. Others exclude mutual organizations such as trade unions, co-operatives and community based or grassroots organizations (CBOs or GROs), though Uphoff (1993) warns against using terms like "grassroots organizations" to conflate local focus and membership basis, two features of certain organizations which need not occur together. Thus for many writers, NGOs constitute just one part of the third sector, including organizations working for development amongst groups and populations other than the promoters or members of the NGOs themselves, whether on a local, national or international basis, as well as organizations promoting specific values such as human rights or environmental conservation, again beyond the application of such values to the promoters or members themselves.

However, whether NGOs are one part or the whole of the third sector, when considering their role in development the same kind of questions arise as considered above. For example, the question of whether values such as participation or empowerment can be held to be distinguishing features of NGOs has been discussed at length (e.g. Thomas, 1992). Several authors, notably Korten (1990) and Uphoff (1993), discuss how to differentiate NGOs from other institutional types and how to differentiate types of NGO or NGOs from GROs. Willetts (1982) denies that it is possible to arrive at a taxonomy for NGOs, although he does argue that there are certain attributes NGOs may possess.

The supposed comparative advantages of NGOs have been laid out by Fowler (1988), Farrington et al (1993) and others, while their failure to deliver these advantages has been noted by others from Tandler (1982) to Vivian (1994). However, the comparative advantages claimed tend to be a list of desirable features, such as flexibility, innovation, ability to reach the poorest of the poor, cost-effectiveness, and so on. The positive features claimed for NGOs by different writers do not necessarily derive logically from what NGOs are. For example, flexibility may be a feature of a small, new organization but not necessarily of a value-based organization once it becomes large and established. Similarly, while one might hope NGOs would be cost-effective, they are not necessarily particularly so as a result of their value basis (although if one's system of accounting ignores resources provided on a reciprocal or gift basis then organizations with such resources may appear to need less to achieve a given result - something that perhaps cannot always be counted on). On the other hand, those who have pointed out

that NGOs do not achieve all they are supposed to achieve may have ignored the fact that NGOs are essentially diverse. NGOs as a sector may have the potential to reach the poorest and to find innovative solutions to new social problems, without every NGO doing these things all the time. Thus it is perhaps not surprising that Vivian's (1994) survey of NGOs in part of Zimbabwe found most of them engaged in rather standard service delivery, "gap-filling" on a basis little distinguishable from what government agencies did where they were present.

To sum up, then, NGOs, like voluntary and non-profit organizations generally, have in common their value basis while being differentiated in terms of which particular values they are based on and which particular groups they focus on or represent.

5. A public action approach

So far I have suggested that there is a certain space where needs are unlikely to be fully met by governments or the market, where NGOs may move in as a differentiated set of value-based organizations. However, as hinted above, as a framework for explaining the role of NGOs in development management this is still both too static and not sufficiently political. It is also arguable that the idea of three sectors keeps the different rationales and modes of regulating human activity apart too much, whereas in practice all kinds of organisations undertake a combination of activities on a combination of rationales. I hope to rectify these deficiencies by using the concept of 'public action'.

Drèze and Sen (1989) introduced the notion of 'public action' to include actions by NGOs and other agencies in promoting public benefit, in place of the equation of public sector with state activities. Wuyts et al (1992) developed the idea further as an organising principle for the discussion of development policy. Two aspects of their approach are of particular interest here: the idea that public needs can be met through public action by a variety of types of organization; and the suggestion that the definition of public needs is a contested, ever-changing area so that public action is one means by which public needs are redefined over time.

Mackintosh (1992) points out that the definition of public action by Drèze and Sen (1989) as action to promote public benefit implies an ability to determine what is or is not public benefit. What of organizations set up to undertake collective activities for the mutual benefit of their members? Are they to be regarded as taking part in public action only if their members are disadvantaged? In this case, whose criteria of disadvantage are to be used? Mackintosh suggests that the way out of this difficulty is to define public action more broadly, as "purposive collective action, whether for collective private ends or for public ends (however defined)" (1992, p.5). This definition, as

Mackintosh points out, distinguishes public action from "private actions for one's own or other private individuals' benefit" (*ibid.*, p.5). It places NGOs as one of a range of types of organization, including groups set up to represent all kinds of particular collective interests as well as government agencies, which engage in public action. As such it is quite different from the equation of public with state sector, which places NGOs as private organizations, but ones which are non-profit.

The second aspect I noted in the public action approach suggests that public action is not only a question of response by the state or other collectivity to perceived need, but also is itself part of the process of defining what is a public need. For example, historically there are numerous examples of collective action by groups of the relatively privileged helping to define what they saw as threats to their privilege in terms of public need, largely in order to spread the cost of meeting that need (De Swaan, 1988). Thus De Swaan depicts poor relief in Europe as a collective response by the rich to the threat posed by the poor to public order, and the development of urban sanitation systems in cities like London and Paris in terms of voluntary action by members of wealthier neighbourhoods, spreading until those interests forced through legislation to subsidise the connection of all areas. Wuyts (1992) suggests that De Swaan goes too far and argues that, at least in industrializing and urbanizing economies, "the growing interdependence between rich and poor, or between the strong and the powerless, inevitably leads to public action on the part of the rich to create the public goods to satisfy public need" (Wuyts, 1992, p.31). Nevertheless, this is certainly one important part of how public action defines public need. Collective action by groups formed from the poor, or altruistic action channelled through certain NGOs, may also play a part. However, by definition it is powerful groups which are more likely to be able to shape conceptions of public need to match their own collective needs, and in any case it is usually difficult to disentangle motives of safeguarding one's private position from those emanating from the values discussed above as forming the basis of NGOs. Acting together with others to solve a general problem which is also one's own problem - is that self-interest, duty, or reciprocity?

6. The role of NGOs in the global sphere

My framework for considering the role of NGOs in development management now comprises the following elements: the idea of space left for NGO activity by government and market failure; NGOs as a value-based but differentiated set of organizations; and finally NGOs as part of a range of types of organization engaged in public action which simultaneously aims at meeting collective private or perceived public needs and helps define what are to be regarded as public needs in future.

Although it also has very local aspects, development is quintessentially an international or global activity in that it involves human values and the definition of public needs at a global level as well as development organizations based in one part of the world acting in other parts. How do the three elements of my framework apply to the role of NGOs in the global sphere?

First, there is certainly plenty of space for NGO activity at the global level. The global market is accompanied by all the forms of market failure. There is of course no global state so that the concept of government failure cannot be applied directly, but one can think instead of the limitations on intergovernmental activity, where difficulties in reaching agreement may be added to the lack of capacity of individual states as well as the basic forms of government failure which apply even to strong states. Thus the areas of space outlined above can be expected to form core areas for international NGO activity, which may also extend further into what might at national level be areas for government services.

The first area identified was "social welfare and the relief of poverty, ... particularly where poverty is concentrated in specific minority groups". This certainly corresponds to the core activity of many international development NGOs. The second was "the provision of a variety of different specific quality services for different small groups". International conservation organizations and NGOs providing opportunities for voluntary service overseas would at least partly fall into this area. The third area comprised "services typified by a high degree of information asymmetry between provider and recipient", including those subject to 'moral hazard', and the provision of relief in complex emergencies is an excellent example. Finally there is the area of innovation. Indeed, NGOs have an impressive record in pioneering new areas of work on an international basis, including promoting the rights of indigenous peoples, support for people with Aids, micro-finance, community-based natural resource management through sustainable utilisation, and many others. As noted above, third sector activity is particularly appropriate when it involves a new problem in one of the other areas, and can be the forerunner of government activities. This is effectively part of the definition of public needs, the last of the four elements of my framework, so I will leave a discussion of whether some of these activities might become services provided by a global state until below.

The second element in my framework is the idea of NGOs as value-based but differentiated. Here the values underlying development and other international NGOs are similar to but if anything more varied than those of voluntary organizations within Western liberal democracies. The values of some NGOs derive specifically from movements based in developing countries, for example Freire's (1972)

conscientization, or Gandhian concepts such as *gram swaraj* (village self-rule) or *sarvodaya* (the welfare of all). Other value-based ideas taken up by many NGOs, while of Northern derivation, are specific to attempts to deal with problems of development, such as Schumacher's (1973) notions of intermediate technology and "small is beautiful" and Chambers' (e.g. 1997) ideas of participative rural appraisal and power reversals.

It is also clearly the case that NGOs are different from each other and tend to promote quite specific values as well as being based on or serving the needs of particular communities or groups. While some, generally Northern-based, international NGOs promote some version of development as a kind of universal good, others focus on more specific values such as children's rights or women's empowerment, or have a geographical or religious focus or a basis in local membership. In fact, mistakes of interpretation can often arise from attempts to portray NGOs as a uniform movement, when in fact their histories and cultural as well as value bases are extremely varied.

Finally, there are the two aspects of public action. Development NGOs are certainly acting alongside other organizations, including government agencies and international organizations, in attempting to meet perceived needs, mainly in the four areas of space described above. It is notable that some of these are effectively collective private needs of certain groups such as Northern conservationists or professionals. Some of the innovative activities of certain NGOs have also played a part in defining certain new problems, such as those of the environment or human rights, as areas of what might be termed global public need. However, the discussion above should alert us to the fact that while NGOs in their variety may articulate the needs of all kinds of groups, it is those NGOs which articulate the collective needs of more powerful groups that are more likely to see their ideas adopted internationally. Some of the same kinds of mechanisms may be at work as those found historically within the nation states of Europe and the USA (see above). For example, the Chair of the International Negotiating Committee on Desertification, Bo Kjellén, has promoted desertification as a global issue by invoking the threat of mass migration by poor populations displaced by land degradation. Whether, as with the example of urban sanitation in Northern cities, meeting such collective needs eventually forms the basis for a global state, or whether they remain only very partially met by a combination of NGOs and international bodies such as those in the United Nations system, articulating new public needs and contesting the definition of global public needs, will remain perhaps the most important roles for NGOs at the global level.

7. Conclusion: Development management and inter-organizational relations

The framework developed gives some defining characteristics and underlying rationales for NGOs and can be used to deduce areas where they will tend to have a role for reasons other than those of economic efficiency. However, in most cases NGOs will promote particular values and serve or articulate the interests of particular groups, and as such their activities will take place alongside those of other agencies, notably those of governments and international bodies also engaged in public action. There is no general argument for NGOs' superiority over other types of agency any more than there is one for NGOs to work themselves out of a job.

If organisations are to be divided into sectors, more than two are certainly needed, but it is better to think of activities divided according to rationale and mode of regulation. Rather than engage in futile debate about the pros and cons of development being undertaken by different types of agency, it is more useful to realise that the public action approach brings to the fore questions about how different agencies interact. One such question is the maintenance of values such as reciprocity and a public service ethic and an inclusive view of public need. This can be seen as ideally involving virtuous circles where the motivation of those who put their personal investment into public action, whether through NGOs or government or international agencies, is reinforced if that personal investment sees a 'return' in terms of a combination of public achievement with at least a minimum of private benefit.

Another question is how the interaction between sectors is to be regulated. If private means efficient, NGOs are a type of private agency and state activity only comes into play when there is market failure, it makes sense to try to create conditions within which markets will work, so that regulation may be used to force NGOs into quasi-market relations of tendering and contracting to deliver services. However, with a public action approach one might look for more collaborative relations between NGOs and other public bodies. One interesting idea here which might be applied to development is that of "services de proximité", in which resources from market exchange, from state redistribution and from voluntary or reciprocal sources are combined to allow new forms of local, participative services (Laville, 1992). More generally, it may be argued that while individual relations may work in different cases through the market, through legitimate coercion via the state, or through voluntary association, the rules governing how these cases are regulated are best set co-operatively or collaboratively (Brauer, 1997).

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