

Introduction: NGOs Are Here To Stay

Gary Johns

About three years ago the Institute of Public Affairs started to analyse the role of non-government organizations (NGO) within a democratic society. NGOs are an important source of public policy, and they are political actors. My experience of NGOs is quite particular, in as much as I spent some years as a member of parliament and a member of government. Not surprisingly, my conceptualisation of democracy has a bias towards that sort of institutional form. The experience means that I have seen NGOs from inside government, including their ability to influence government policy, and I have worked for a number NGOs, which, of course, includes the IPA.

The first paper¹ in the NGO project was a policy paper that applied to the IPA as much as to other NGOs. The IPA had to think about itself, its own legitimacy, its own place in the world. The paper was about political accountability, and because the IPA does not want to be regulated, it sought an answer that did not require more regulation of the political system. We were not seeking the regulation of NGOs, we were seeking to know how they made their input. We want everyone who is a member of a free association to speak freely in a liberal democracy. The conclusion, not surprisingly, was that NGO legitimacy rests in the freedom of association.

However, politics is now coursing through an enormous array of different streams and venues – our political system is not just a game for two political parties – it is far more complex. It does not revolve around a simple division between capital and labor. Parliaments have to take into account a politics that is much more dispersed, one where there is less party loyalty. NGOs have grown as a vehicle for political activism in this environment of dispersion, and raising money and organizing politically is a healthy process. Where NGOs seek access to government, however, and especially to government resources, it becomes a question for the whole of the people. Consequently, the IPA focused the question of NGO legitimacy on the relationship between government and NGOs, in another sense, between the institutional form of representative democracy and democracy-as-participation.

My conceptualisation of democratic politics has always been to regard it as a contest between organized interests and unorganized interests. Most people have unorganized interests, they get on about their business. They prefer to have the parliament design rules that allow them to do just that. Others, however, are so keen on politics that they want to spend most of our lives in it. This is what activists do. Like political parties, this is what NGOs do. We have to remember the name of the game is that everyone does not live his or her life as a political activist. There is another life, and we should, as much as possible,

¹ Johns, G. 2000. *NGO Way to Go: Political Accountability of Non-government Organizations in a Democratic Society*, *IPA Backgrounder*, 12/3, November.

leave people alone, leave them to their own devices. With these views in mind, the questions that may be asked of NGOs are these: what are they asking of the people, what are they asking of their resources. It follows that when NGOs have an input into government policy and seek to use taxpayers' resources, then governments, on behalf of the electorate at large, have a right to know about the NGO.

In our second paper², we looked the formal relationship between governments and those NGOs who want to use government resources. When an NGO steps into a minister's office, it is displacing the elector. That can be very helpful, because politicians do not want to see thousands of electors in their office every morning. They prefer to see a group that represents a collection of views on issues, such on the environment or human rights or social security matters and so on, because it would be impossible to have a conversation with the whole of the electorate. NGOs do good work in terms of collecting opinion. They should be praised for so doing. Nevertheless, governments sometimes forget to ask, whose opinions have they collected, and whose opinions are represented and whose are not? Does the NGO have a special insight on such matters, a specific expertise?

The IPA is now undertaking a project for the Australian Government that asks those questions. It is seeking in this project to remind governments that they should test the credentials of NGOs who want access and resources. They should do so with the same presumption as in a court of law. The standing of the NGO should be tested, and, probably most important, when these measures of standing are made apparent to the government, they should be shared with the electorate. The best way to share the information is to have it displayed on a website. Such a device is readily available in the USA through laws, which allow the Internal Revenue Service, to gather simple and useful information about NGOs. Using the IRS Form 990, the likes of The Urban Institute and Guidestar and the Capital Research Center can make available good data for those interested. David Riggs' conference paper on NGO openness and accountability is a prime example of this work. Although there is more to be done in this regard, it opens the game so that the unorganized feel more comfortable with the debate in formal politics, which is really about organized interest groups.

In the third paper,³ we started to think about the effect of NGOs who operate directly on corporations. After decades of being regulated by governments, corporations are still not, according to some NGOs 'doing the right thing'. Some NGOs want to regulate corporations directly. This is a concern, because it is non-consensual regulation. Non-consensual regulation is the pressure and rules that NGOs would like to apply to corporations, which does not necessarily end up in hard law, but seeks to change the behaviour of corporations. It is non-consensual because it is a particular group's

² Johns, G. 2001. 'Protocols with NGOs: The Need to Know.' *IPA Backgrounder*, 13(1), November.

³ Johns, G. 2002. 'Corporate Social Responsibility or Civil Society Regulation?' *The Harold Clough Lecture*, Perth, 19 August. See also Johns, G. 2003. 'The Good Reputation Index: A Tale of Two Strategies.' *IPA Backgrounder*, 15(2), April. Also Hoggett, J. and M. Nahan 2002. 'The Financial Services Reform Act: A Costly Exercise in Regulating Corporate Morals.' *IPA Backgrounder*, 14(2), August.

conception what a good corporation should be. The papers from the conference by Jarol Manheim and Jon Entine explore this theme.

The IPA papers have received a reasonable amount of feedback. The most telling criticism has been a very simple observation that the NGO phenomenon may not endure. That criticism may be right, but there are very good reasons why the NGO phenomenon, will last and indeed will grow.

Here are five reasons why NGOs as a political phenomenon will endure. First, many NGOs promote their role in democracy-as-participation, and show disdain for democracy as the settlement of competing interests. NGOs are a more expressive, and therefore appealing, form of political activity. We know from experience that many young people prefer to now do their politics in NGOs and not within the political parties.

Second, the amount of spare cash and time for political purposes is rising. The money that will transfer between generations in the next decade will be the greatest inter-generational transfer of wealth in our history. Some of that wealth will filter into political works. People will want to 'do good' with their money, and NGOs hold out the possibility of undertaking political work with money donated for a favourite cause.

Third, politics will be intellectualized. Most people play their politics as loyalists to one group or the other, often to the major political parties. We will probably find that our new retirees and younger political activists will be educated and they will not be satisfied to undertake the tasks of the political hack, or to work to simply ameliorate problems. For example, rather than 'help the poor', they want to prevent poverty, in other words, change the system. Parties were once better placed to sell a big picture ideology, but now NGOs are more likely to have the edge with the better educated.

Fourth, there are a very large number of international inter-government organizations - the United Nations and its satellites in particular - and they are actively canvassing a constituency beyond the nation-state. The U.N. and its senior people want to engage with civil society. NGOs benefit enormously from the kudos of being pursued by international bureaucrats, and more recently international business leaders.

Fifth, the universe of contestable ideas as being massively expanded, so public debate reaches all aspects of life, including inside families, much more so than has ever been the case. Few matters remain in the private domain for private deliberation, almost everything is part of public debate. Therefore, almost everything will create and draw around itself people who are active on a particular proposition.

Is the NGO challenge, which is based on participative democracy, a difficult thing for institutional democratic practice? Institutional democratic practice - a constitution, a parliament and so on - is based on the notion of democratic elitism. Not everyone gets to play politics, thank goodness. However, the fact is that if increasingly participated - then the interests of the organised may crowd out the interests of the unorganised; the activists with particular interests will win. So the question is, who loses in the participative democracy? It may well be all those who do not want to participate.

In addition to the challenge that NGO to institutional democracy, there is a second element of democracy that comes into play. This one pits the voter en masse, against the intellectuals. It seems to me that in the humanities and social sciences, and even in the science faculties of the past few decades, the purpose of inquiry is less about explanation and more about advocacy. The politicians need to rely on not only their skills in balancing interests, but in judging the quality of advice received. As more advice is politically infected, the more difficult it is to rely on it. NGOs often have a phalanx of intellectual advocates backing them, often abusing their skills as much as informing debate

There are a great many people entering politics who would formerly have sought to explain the way of the world. They now seek to advocate particular positions. This is a difficulty in a liberal democracy, where everyone is allowed to say whatever they want, because it is becoming more difficult to rely on broadly understood and agreed truths. Things that you can rely on as being fact are being undone. So some of the mooring, some of the underpinnings of our system are starting to move somewhat.

This question of NGOs and their place in politics is reasonably well handled inside nation states. The distance between the unorganized and their representatives is not too great. The nation in this respect is like 'a daily plebiscite';⁴ it just chews through debates day in, day out. Sufficient numbers are engaged, in which there is a lot of feedback between governors and governed in a daily dialogue. The problem of the power of the political activists and the likelihood that they do not reflect widely held opinion is solved within the nation state by a regular and responsive forum for all interests. It becomes more difficult at an inter-government, international level. Despite the appeals to international citizenship and the wonders of e-mail and the apparent ease of international travel, the daily plebiscite is not available in international forums.

It is international forums, where we may encounter some of our greatest difficulties. The next step in the IPA NGO Project is to reach out to others working on these themes, and in particular to contemplate the NGO influence international forums. Conference papers by Jeremy Rabkin, Kenneth Anderson, Mike Nahan, Roger Bate and Marguerite Peeters ably expand our thoughts on international NGOs.

The IPA, in conjunction with its partners at the AEI and other think-tanks, will continue to build on its insights, and hopes that the papers presented at this conference will stimulate further debate on this intriguing phenomenon.

⁴ Quoting Ernest Renan, in Jusdanis, G. 2001. *The Necessary Nation*. Princeton: Princeton University Press, 24.