

South Africa: Anti-Apartheid NGOs in Transition

Adam Habib¹ and Rupert Taylor²

Under apartheid, there were an ever-increasing number of nongovernmental organizations (NGOs) concerned about challenging the South African state and furthering a nonracial democratic society. In the 1990s, with the transition to an African National Congress-led democratic government, these organizations underwent profound changes. This article describes the key dynamics of this process, outlines the challenges currently confronting the new NGO sector, and concludes that the prospects for progressive NGO work in dealing with the poor and marginalized are constrained by the prevailing neoliberal economic climate.

KEY WORDS: nongovernmental organizations; nonprofit sector; political transition; South Africa.

INTRODUCTION

From the 1980s, as a result of the former apartheid regime's liberalization initiatives and greater funding being made available by international organizations, foreign governments, and philanthropic foundations, the South African nongovernmental organization (NGO) sector experienced phenomenal expansion. Moreover, this expansion continued into the 1990s in the context of the replacement of apartheid with democracy. South Africa thus provides an ideal setting in which to investigate how state-NGO relations change when countries undergo a transition from authoritarian to democratic political systems, and to assess the opportunities and challenges for NGOs in newly democratizing societies.

The focus of this article is on those particular NGOs that opposed apartheid, and which under apartheid were more appropriately called antigovernment organizations, namely, nonprofit organizations that provided research/policy, socio-economic developmental, or welfare services with "some indication of a social

¹Department of Political Science, University of Durban-Westville, Private Bag X54001, Durban 4001, South Africa; e-mail: habib@pixie.udw.ac.za

²Department of Political Studies, University of the Witwatersrand, Private Bag 3, Wits 2050, Johannesburg, South Africa; e-mail: 064@muse.wits.ac.za

and political orientation which was non-racist or anti-racist and on the side of the poor and oppressed" (Walters, 1993, p. 11). In particular, this article investigates how the democratic transition transformed the relations between the state and these NGOs in South Africa. It also highlights the challenges that have been generated by these new state-NGO relations, and their implications for the issue of NGO accountability to the poor and marginalized in developing societies.

TRANSFORMING STATE-NGO RELATIONS

At all levels, the relations between the South African state and the NGO sector have changed dramatically in the past three decades. Prior to the 1980s, the political and legal system was only supportive of NGOs directed to serving the white community and the racial order. By contrast, NGOs critical of apartheid, of which there were only a handful, were subjected to continuous harassment and "banning." This political environment was transformed with the liberalization of the South African polity and economy in the early 1980s. Although not supportive of anti-apartheid NGOs, the P. W. Botha regime allowed many to emerge, organize, and serve the disenfranchised and marginalized majority black population.

This newly liberalized political environment, and the influx of funds—especially from Scandinavian countries, the European Union, and U.S. foundations—encouraged a proliferation of anti-apartheid NGOs during the 1980s (the uniqueness of the South African situation under apartheid was that foreign funding was channeled directly to NGOs rather than being channeled through government). Generally, the result was a massive growth in the NGO sector to the point where, by 1990, it was estimated that there were some 5,000 NGOs pursuing developmental work in the country (Bernstein, 1994).

It was in this context that most NGOs emerged, being created and run by professional people aligned to the anti-apartheid cause and concerned about giving assistance and support to the struggle. Such organizations constituted a self-mobilized and heavily interlocked network that undertook a number of roles, but which broadly speaking, can be divided into two distinct groups. First, there were those such as the Urban Foundation, Black Sash, South African Institute of Race Relations (SAIRR), and the Institute for Democratic Alternatives for South Africa (Idasa) that conceived of themselves as liberal-oriented organizations and positioned themselves somewhere between the ideological extremes of Afrikaner and African nationalism (consider Hellmann, 1979; Spink, 1991; Jaster and Jaster, 1993; Lazerson, 1994). Second, there were NGOs such as the National Education Crisis Committee, Legal Resources Centre, Transvaal Rural Action Committee, and Trade Union Research Project that more openly associated themselves with the African National Congress (ANC) and serviced the mass-based people's organizations of the national liberation movement (principally the United Democratic Front

and Congress of South African Trade Unions). Altogether, these NGOs worked to weaken and undermine National Party rule; they made up the core of an emerging non-racial democratic society independent of, and set against, the apartheid state (Taylor *et al.*, 1999). Collectively, NGOs provided a non-racial social service delivery function for the disenfranchised, offering a kind of shadow (alternative) welfare system in support of the mass-based movements and the poor (Taylor *et al.*, 1998).

During the 1980s under apartheid, the relationship between the anti-apartheid NGO network and the South African state can be described as having been antagonistic and adversarial. This operated on two levels. First, the administrative and legal environment, including the tax laws, were hostile to corporate sponsorship of the NGO sector as a whole (Lee and Buntman, 1989). This prevented the development of a philanthropic and corporate social investment tradition in South Africa, thereby undermining the foundation for a vibrant and well-resourced NGO sector. In addition, the Fund Raising Act of 1978 made it “a crime to solicit or receive donations from the public unless this has been authorised by the Director of Fundraising. Any donation received from outside South Africa was deemed from the public within South Africa” (Budlender, 1993, p. 86). This forced anti-apartheid NGOs, most of whom received the bulk of their funding from external sources, to develop a range of administrative measures that would camouflage their funding sources.

Second, the political and security environment was hostile to the operations of NGOs. Although the National Party’s liberalization program facilitated the emergence of anti-apartheid NGOs, it did not allow them to operate without any restrictions. Almost all anti-apartheid NGOs experienced some degree of confrontation with the state during the 1980s. NGO leaders and activists were subjected to banning, arrests, detentions without trial, death threats and assassination attempts, and having their homes and cars petrol bombed. NGOs were subjected to general Security Police harassment by having their telephones tapped, post intercepted, meetings disrupted, and structures infiltrated. The apartheid state also sponsored counterorganizations to compete with and discredit anti-apartheid NGOs. Finally, the state utilized its censorship laws to continually ban publications produced by anti-apartheid NGOs. In sum, the political and security environment was a repressive one that curtailed and restricted the operations and activities of the anti-apartheid NGO sector (Taylor *et al.*, 1998).

The repeal of apartheid legislation and the end of National Party rule changed all of this. The conflictual relationship between anti-apartheid NGOs and the state was transformed with the transition to democracy in South Africa. The 1994 elections, in which the ANC gained 63% of the vote, ushered in a new era and forced a shift from the politics of resistance to a politics of reconstruction (Marais, 1998). NGOs and state institutions now were seen as partners in a national project—the Reconstruction and Development Programme (RDP)—to redress a society in

which it is estimated that some 17 million to 19 million black people are living below the poverty line (Marks, 1998, p. 26).

The resources of NGOs have been carried into the transition process in three main ways:

- (1) Many NGOs have been absorbed into, or fused with, the institutions of the new state; important policy positions, key personnel, and much funding have moved into the state.
- (2) NGOs that were closest to the mass-based movements—and have survived the impact of assimilation into state structures—have, often by building on personal networks, repositioned themselves as NGOs with a complementary role to the new state by undertaking partnerships with government departments, developing policies, or providing welfare and development services.
- (3) NGOs that have been liberal in orientation have recast themselves as NGOs taking up a position as “watchdogs” of the new state, advocating various policy positions and asserting their independence from the state with the intent of strengthening civil society.

Nelson Mandela (1996) has written: “Non-governmental organizations played an outstanding role during the dark days of apartheid. Today, many people who received their training within the NGO sector play important roles in government.” In fact, to some, the acronym NGO is taken to stand for Now Government Official. In some respects the former shadow state has become the new state. Nonetheless, although prime responsibility for reconstruction rests with the state, it has been acknowledged that “irrespective of how much a government may regard itself as being a ‘people’s government,’ implementation of its programme and projects, without participation of the civil society, will tend towards a top-down approach, with its inherent disadvantages” (Currin, 1993, p. 168). Accordingly, the value of NGOs concerned with people-centered development, socioeconomic upliftment, and service delivery has been recognized. Beyond this, NGOs that have turned to playing the part of watchdog over democratic practices have been supported by a range of donors (such as the U.S. Agency for International Development [USAID]) concerned about strengthening civil society through “democracy and governance” programs (consider Clayton, 1996).

Overall, there has been a move to develop carefully constructed programs and projects (often demand driven) and to address policy issues. During the 1990s, as the transition unfolded, a number of NGOs shifted their attention to policy research, first for the ANC and subsequently for the Government of National Unity (see Kraak, 1995). In particular, there has been much concern about land issues, labor reforms, what the post-apartheid social services (health, education, safety, and security) should look like, and with the structure of the Truth and Reconciliation Commission (TRC).

To facilitate and consolidate the new state–NGO relations, the ANC-led Government of National Unity introduced a new legal environment and established new political institutions. In July and August 1995, the government released two versions of a Draft Non-Profit Bill that was intended to coordinate and manage state–NGO relations in post-apartheid South Africa. Both versions of the bill provoked an outcry from NGO activists and leaders because it provided government with the authority to subpoena employees and intervene in the management of NGOs where there was some evidence of misconduct or mismanagement (Kane-Berman, 1996).

In response to these criticisms, the bill was revised, and a new Non-Profit Organization Bill was submitted to the cabinet in August 1997 and enacted in December 1997. One of the more significant features of the new Act was its repeal of the 1978 Fundraising Act, which had limited NGO abilities to raise funds. The Act provided for a system of voluntary registration and provided benefits and allowances for NGOs and community-based organizations (CBOs). It also established a Directorate for Non-Profit Organizations, which was to be responsible for the coordination of, and development and implementation of policies in the nonprofit sector. Finally, the Act required NGOs to keep a proper book of accounts and to submit audited statements to the government. The Act thus goes some way toward creating a positive legal environment for NGOs in South Africa.

Government also reorganized the political environment for NGOs. They were provided with access to the fourth chamber of the National Economic Labour and Development Council, the country's premier corporatist-style consensus-building agency (Habib, 1997a), on condition that such representation occur through a single body. Given that this would provide access to the official policy-making process, NGOs moved very quickly to establish the South African NGO Coalition (Sangoco) in August 1995 (Naidoo, 1997), which now serves as a representative umbrella body for around 6,000 affiliated NGOs. Sangoco's primary role is that of advancing the interests of the poor. It is also concerned with developing an enabling environment for the NGO sector and providing an arena for mutual monitoring (*NGO Matters*, 1997).

In addition, in late 1994, in an effort to resolve the funding crisis of NGOs that arose as a result of foreign donors' decision to channel funds directly to the RDP, the Transitional National Development Trust (TNDT) was established as a crisis, quick-step funder responsible for developing and funding NGOs and CBOs in the short term. The TNDT opened its doors in March 1996, after a delay of 2 years, and its R120 million (around US \$20 million) budget (comprising R70 million from the European Union and R50 million from the South African government) has been used to fund education and training, health, and rural development projects.

In April 1996, through Deputy President Thabo Mbeki, the government established an Advisory Committee to assist it with determining the appropriate relationships and structures that should be established with organs of civil society.

The Advisory Committee (1997) supported the idea of a new independent statutory body, the National Development Agency (NDA), with a publicly nominated board. The NDA will be the main state institution responsible for mobilizing government and other international and domestic resources to support NGOs and CBOs. It also will be charged with the task of assisting government with policy formulation and implementation for, and monitoring and evaluation of, all registered organizations in civil society.

In sum, South Africa's democratic transition has transformed the political and legal environment for all NGOs. Whereas many state-NGO relations were adversarial and conflictual a decade ago, they are now much more collaborative. The post-apartheid government also has moved to promulgate new laws and establish new institutions to consolidate this partnership with the NGO sector. This, however, has not been an easy process; and it has generated problems with serious long-term implications for NGO accountability to the poor and disadvantaged in South Africa.

IMPENDING CRISIS?

Relations between the new state and NGOs have been problematic. Despite its importance, the ANC-led government has been slow to develop coherent thinking on the NGO sector. There has been a lack of consistent policy on state-NGO relations (Kraak, 1996), and the Advisory Committee (1997, p. 26) recognized the lack of clear policy and connecting points with government and went so far as to remark that "since the 1994 elections the sector is facing a crisis." Many NGOs have found it difficult to access government support, set up partnerships, and obtain funding (CASE, 1996). Some NGOs have felt marginalized; for example, to some, "the biggest failure of the TRC to date has been its inability to build a strong working relationship with civil society as a whole" (Hamber *et al.*, 1997, pp. 5-6). There have been problems with tendering procedures, and funding has been caught up in the bureaucracies, which have been slow to confront the challenges facing the new South Africa. Some government departments have been riddled with corruption; others have been more concerned about pursuing government by the rules rather than by results.

Not surprisingly, the RDP has been seriously undermined by all of these problems. In fact, in March 1996, the RDP office was abolished. In June 1996 the government, under the influence of the World Bank and the International Monetary Fund, moved to endorse neoliberal economic policies, shifting from RDP to GEAR (growth, employment, and redistribution strategy). GEAR places emphasis on private-sector investment to create jobs, thereby putting economic growth ahead of state-led redistribution. And yet, as Alex Boraine, Deputy Vice-Chairperson of the TRC, stated in an interview with the present authors (December 5, 1998), "the transformation of the economic and social order. . . that hasn't happened. The lines of wealth and poverty are still as stark as they were" (also see Pilger, 1998).

From the perspective of NGOs, the heart of the problem is the shortfall in organizational capacity, the seriousness of which has been compounded by many NGOs having to face the problem of high staff turnover as skilled staff move into government and state-run institutions: According to Sangoco, "the sector as a whole lost more than 60% of its senior staff to government and the private sector since 1990" (*Mail & Guardian*, August 22–28, 1997). Just as serious is the dire funding situation. Since the 1994 elections, the foreign donor community has begun to channel funding directly to the government, and now the "obsession with IMF/World Bank structural adjustment means financial cutbacks which are cutting swathes through NGOs" (Southall and Wood, 1998, pp. 224–225; see also Bernstein, 1994; Kraak, 1996, p. 79; Turok, 1996).

Although, as noted, the government has established the TNDT and intends to permanently establish an NDA to address this financial crisis, it is unlikely to compensate for the shortfall of funds from the international community. Moreover, even in cases in which foreign donors have continued funding, such funding has become much more project specific (e.g., as stipulated by USAID and the Ford Foundation). This has, during the 1990s, led to marked organizational growth for the liberal NGOs such as Idasa and SAIRR and has promoted more streamlined managerial structures and a degree of professionalism in NGOs, which, although welcome for raising issues of financial accountability and impact³ nevertheless tends to encourage commercialization.

Commercialization is prompted not only by the donor community. The financial crisis prompted the more farsighted NGOs to move away from donor funding to self-sufficiency. Many NGOs have sought to deal with the funding crisis by selling their services to the government and corporate sector. The Community Agency for Social Enquiry, for example, is now entirely self-sufficient, and the Independent Mediation Service of South Africa is now around 75% self-sufficient. Given the widescale poverty in South Africa, such self-sufficiency could not entail local communities paying for services. Rather self-sufficiency has meant that either NGOs become the voice of privileged sectors of the community (such as business) or that they tender for government and other transnational and donor contracts against other commercial firms. This has tended to blur the distinction between for-profit and nonprofit agencies (see, in particular, Price, 1995).

This, of course, poses serious questions about the accountability of NGOs. The existing literature on the nonprofit sector is replete with suggestions that NGOs are institutions that service the interests of the poor and marginalized (see, e.g., Korten, 1987), but can one really argue this when NGOs become so commercially oriented and dependent on the resources of overseas donors and the government (see Habib and Owusu-Ampomah, 1997, for a critical case study)?

NGOs' recent relations with government can work to strain their commitment and lines of accountability to the poor. NGOs dependence on state funding and their newly formed "client" relationships with government must lead one to

³Under apartheid overseas funding arrangements often did not require very stringent accounting reports.

question their autonomy and whether they can avoid being mere appendages of state institutions. Working as "private subcontractors" of government and with funds from overseas governments, NGOs are increasingly no longer nongovernmental. Will the one who pays the piper call the tune? Given that the South African government has adopted a rigid monetarist policy that inhibits its ability to deliver services to the poor, this may well prove to be the case (Habib, 1997b). Will this crisis of delivery not taint the NGO sector? Will the NGO sector's effectiveness not come into question as a result of its recent relations with the state?

Anti-apartheid NGOs were seen clearly as agents of change. Today, formerly progressive NGOs face the danger of being seen as agents of control, of being co-opted to neoliberal agendas, becoming the "community face" of neoliberalism (Ashley and Andrews, 1998; see also Petras, 1997). Hein Marais (1998, p. 213) has already noted that "under the canopy of economic policies like GEAR, NGOs' roles tend to harmonize with standard neo-liberal logic as they toil in the wake of development and welfare responsibilities shirked by the state." This is a disturbing prospect because the reality is that, five years into democratic rule, the task of reconstructing South African society has barely begun.

CONCLUSIONS

South Africa's anti-apartheid NGOs moved into the transition on a strong footing; their role in the anti-apartheid struggle, and their relations with the ANC, provided them with a large degree of popular legitimacy. However, the current NGO funding crisis and the turn to commercialization to address this crisis have created relations with donors and the state that ultimately, in a neoliberal economic climate, could lead to a moral crisis of legitimacy and effectiveness. Nelson Mandela (1997) has already questioned the legitimacy of NGOs when he accused some, at the ANC's national conference in December 1997, of following the agendas of foreign governments. However, it should be added that the legitimacy of NGOs also can be undermined by the kind of client relationships that Mandela's own government has sought to establish. The financial crisis and commercialization of the new NGO sector in South Africa thus could evolve into a full-blown crisis of legitimacy and effectiveness. In this sense, the crisis of the nonprofit sector in the United States (Salamon, this issue) might simply prefigure the future of South Africa's own NGO sector.

REFERENCES

- Advisory Committee (1997). *Structural Relationships between Government and Civil Society Organisations*, Report prepared for the Deputy President, Thabo Mbeki, South Africa.

- Ashley, B., and Andrews, M. (1998, June 28). Warning: Handle with extreme caution. *Reconstruct* (supplement to *The Sunday Independent* [Johannesburg]), No. 17.
- Bernstein, A. (1994). NGO's and a democratic South Africa. *Development and Democracy*, 7, 55–66.
- Budlender, G. (1993). Overview: The legal and fiscal environment of voluntary organisations in South Africa. In A. M. Micon and B. Lindsnaes (eds.), *The Role of Voluntary Organisations in Emerging Democracies: Experience and Strategies in Eastern and Central Europe and in South Africa*, Danish Centre for Human Rights and Institute of International Education, New York, 85–91.
- CASE (Community Agency for Social Enquiry) (1996). *Tango in the Dark: Government and Voluntary Sector Partnerships in the New South Africa*, Johannesburg.
- Clayton, A. (ed.), (1996). *NGOs, Civil Society and the State: Building Democracy in Transitional Societies*, INTRAC, Oxford.
- Currin, B. (1993). Summing up: Civil society organisations in emerging democracies. In A. M. Micon and B. Lindsnaes (eds.), *The Role of Voluntary Organisations in Emerging Democracies: Experience and Strategies in Eastern and Central Europe and in South Africa*, Danish Centre for Human Rights and Institute of International Education, New York, 165–170.
- Habib, A. (1997a). From pluralism to corporatism: South Africa's labour relations in transition. *Politikon*, 24(1), 57–75.
- Habib, A. (1997b). South Africa—the rainbow nation and prospects for consolidating democracy. *African Journal of Political Science*, 2(1), 15–26.
- Habib, A., and Owusu-Ampomah, K. (1997). Report on the Institute for Democracy in South Africa (Idasa). Report prepared for the International Study of Peace Organizations—South Africa.
- Hamber, B., Mofokeng, T., and Simpson, G. (1997, November 10). Evaluating the role and function of civil society in a changing South Africa: The Truth and Reconciliation Commission as a case study. Paper presented at The Role of Southern Civil Organisations in the Promotion of Peace seminar, Catholic Institute for International Relations, London.
- Hellmann, E. (1979). Fifty years of the South African Institute of Race Relations. In E. Hellmann and H. Lever (eds.), *Conflict and Progress: Fifty Years of Race Relations in South Africa*, Macmillan, Johannesburg.
- Jaster, R., and Jaster, S. (1993). *South Africa's Other Whites: Voices for Change*, Macmillan, London.
- Kane-Berman, J. (1996). Leave well alone: The role of NGOs in the process of democratization. In H. Kotzé (ed.), *Consolidating Democracy: What Role for Civil Society in South Africa?* University of Stellenbosch and Konrad-Adenauer-Stiftung.
- Korten, D. C. (1987). Third generation NGO strategies: A key to people-centred development. *World Development*, 15, 145–159.
- Kraak, G. (1995). An INTERFUND briefing on development, education and training in South Africa in 1994/5. Development Update, Johannesburg.
- Kraak, G. (1996). An INTERFUND briefing on development and the voluntary sector in South Africa in 1995/96. Development Update, Johannesburg.
- Lazerson, J. (1994). *Against the Tide: Whites in the Struggle Against Apartheid*, Westview, Boulder, Colorado.
- Lee, R., and Buntman, F. (1989). *The Future of the NonProfit Voluntary Sector in South Africa*, Research Report No. 5, Centre for Policy Studies, Johannesburg.
- Mandela, N. (1996). Message from President Mandela on the occasion of NGO week, 2–6 December, Rand Afrikaans University, Johannesburg.
- Mandela, N. (1997). Political Report of the President, Nelson Mandela, to the 50th National Conference of the African National Congress, Mafikeng, 16 December.
- Marais, H. (1998). *South Africa, Limits to Change: The Political Economy of Transformation*, Zed, London.
- Marks, S. (1998). Social change, order and stability in the new South Africa. In F. H. Toase and E. J. Yorke (eds.), *The New South Africa: Prospects for Domestic and International Security*, Macmillan, London, 17–36.
- Naidoo, K. (1997). *South African NGOs: The Path Ahead*, CIIR, London.
- Petras, J. (1997). Imperialism and NGOs in Latin America, *Monthly Review*, 49(7), 10–27.
- Pilger, J. (1998). *Apartheid Did Not Die*. British television documentary.
- Price, M. (1995). Some reflections on the changing role of progressive policy groups in South Africa: Experiences from the Centre of Health Policy. *Transformation*, 27, 24–34.

- Southall, R., and Wood, G. (1998). Political party funding in Southern Africa. In P. Burnell and A. Ware (eds.), *Funding Democratization*, Manchester University Press, Manchester, 202–228.
- Spink, K. (1991). *Black Sash: The Beginning of a Bridge for South Africa*, Methuen, London.
- Taylor, R., Egan, A., Habib, A., Cock, J., Lekwane, A., and Shaw, M. (1998, July 8–11). Final report: International study of peace organizations—South Africa. Presented to the 3rd International Conference of the International Society for Third Sector Research, University of Geneva.
- Taylor, R., Cock, J., and Habib, A. (1999). Projecting peace in apartheid South Africa. *Peace & Change*, 24(1), 1–14.
- Turok, B. (1996). Why are NGOs struggling? *Mail & Guardian* [Johannesburg], Nov. 29–Dec. 5.
- Walters, S. (1993). Continuity and change in community organisations: Trends in Greater Cape Town from 1989 to 1991. CORE Working Paper No. 1, University of the Western Cape.

Copyright of Voluntas is the property of Kluwer Academic Publishing and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.

Copyright of *Voluntas: International Journal of Voluntary & Nonprofit Organizations* is the property of Springer Science & Business Media B.V. and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.