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## Introduction

In the contemporary discourse on development articulated in international agencies, there is a good deal of emphasis on nongovernmental organizations (NGOs) and their virtues as agents of participatory development. NGOs are clearly part of what Robinson has called the *New Policy Agenda* (NPA), a project which is funded by western governments and international financial institutions such as the World Bank.<sup>135</sup> At first glance, the NPA suggests that the mainstream development community is finally paying attention to the demands for participation which have been launched by progressive scholars and activists for over fifty years. This essay will argue, however, that the emphasis on participatory development and democratization is far from progressive. The contrary, the NPA is part of a broader project to promote neo-liberal structural adjustment. While fostering some degree of civil society participation, the kind of participation that is encouraged by the NPA largely serves to mitigate the adverse costs of structural adjustment, shifting the onus for change onto individuals and communities away from larger structures of power such as states, international organizations, transnational corporations. Although couched in terms of promoting good governance, NPA aims to reduce political intervention in markets and to shrink the public sector rather than to encourage the democratic transformation of state forms. This paper argues that the rhetorical shift towards concepts such as participation and democracy in NPA is fundamentally misleading, because the neo-liberal reforms it promote, in support the depoliticization of development.<sup>136</sup>

The goal of this essay is to analyze the effects of the NPA on the role of NGOs in international political economy focusing on a case study from Mexico. In some previously established Mexican NGOs have oriented their activities away from radical, political activities, which challenge the government and the social order, more technical activities, such as offering professional expertise to small-scale development projects in order to conform to the goals of international development. Increasingly within the current international context, NGOs with a problem-solving technical approach to development problems are the favoured vehicles to promote governance. As NGOs become entangled within this discourse, development is depoliticized. While these NGOs are not to blame for the context in which they themselves, the roles they choose to play must be critically assessed.

<sup>135</sup> M. Robinson, "Governance, Democracy and Conditionality," in NGOs, Civil Society and State: Building Democracy in Transition Countries, ed. A. Clayton (Oxford: INTRAC, 1996), 1.

<sup>136</sup> Richard L. Harris, *Depoliticizing Development: The World Bank and Social Capital* (Delhi: Left Word Books, 2001); James Ferguson, *The Anti-Politics Machine: Development, Depoliticization, and Bureaucratic Power in Lesotho* (Minneapolis, Minn.: University of Minnesota Press, 1994).

information, transparency, accountability, adequate legal norms, predictability, responsiveness, professionalism, anti-corruption measures, and so on. As the World Bank itself admits, these ideas are not new or revolutionary.<sup>141</sup> What is new, however, is that since the early 1990s, donors have applied new forms of political conditionality to loans and technical assistance hoping to promote good governance, while emphasizing the need for democratization, accountability and participation.<sup>142</sup>

The new emphasis on good governance has given unprecedented opportunities for NGO growth and influence.<sup>143</sup> Previous to the era of structural adjustment, the World Bank generally considered NGOs to be a nuisance. It was suddenly discovered in the early 1980s, however, that they might offer efficiencies in service delivery.<sup>144</sup> In the period, numerous World Bank studies on the benefits of co-operation between the Bank and NGOs began to blossom, such as Michael Cernea's *Nongovernmental Organizations and Local Development* (1988) and Samuel Paul and Arturo Israel's *Nongovernmental Organizations and the World Bank: Cooperation for Development* (1991), which provided important economic and political justifications as to why NGOs should become central players in development. Within these studies, it is argued that NGOs, unlike the state, are uniquely positioned to serve marginalized populations because of their organizational form and value-driven nature. David Brown and David Korten, for instance, distinguish between the private, public and third sector based on how organizations within each sector mobilize resources. The commercial sector depends on negotiated exchange through market transactions, while the government sector rests on coercion and legitimate authority exercised through hierarchical systems. Voluntary organizations, on the other hand, are principally driven by shared values rather than by the quest for economic political power. The poor and disenfranchised are their constituency, rather than citizens or consumers.<sup>145</sup> Within this typology, NGOs are thus conceived as innovative private organizations with a public ethos more capable than the state or the market in promoting people-centred development. Michael Cernea, for instance, argues that NGOs have greater capacity to reach the rural poor in remote areas because they have a unique "capacity to innovate and adapt" due to their strong grassroots ties. He states that NGOs "have a comparative advantage in identifying [local] needs and building upon existing resources".<sup>146</sup> They are effective in promoting small-scale development especially well

where government intervention is weak, non-existent, or carried out in a manner that does not satisfy the local population or some of its groups.

Most academic studies of the impact of NGOs on development demonstrate that their success is much more limited than the World Bank studies lead us to believe. Judith Waller, writing as early as 1982, was one of the first to dispel the myth that NGOs are stellar practitioners of "participatory development".<sup>147</sup> Jessica Vivian similarly argues that NGOs are "less participatory than they are commonly expected to be."<sup>148</sup> In fact, NGO projects often end up "thinking for" the community, frequently overruling popular decisions. S. Wiggins and E. Cromwell's study of seed distribution by nineteen NGOs in nine countries found that most programmes did not have community-based approaches. Although many of the "programs involved local groups of farmers in implementation...the farmers had much less say in planning and policy making, in which NGO staff tended to dominate."<sup>149</sup> Many analysts have also questioned the claim that NGOs have a greater capacity to reach the poor than governmental or commercial institutions.<sup>150</sup> One study found that large NGOs in Bangladesh fail to reach the poorest people in the drive for "breadth" rather than "depth" and their efforts to achieve rapid expansion in geographic coverage. Even taken together, the largest NGOs in Bangladesh (including the much-celebrated Grameen Bank) reach less than 20 per cent of landless households in the country.<sup>151</sup> In the case of Zimbabwe, Vivian contends that "a very generous estimate would put the percentage of Zimbabwe's population reached by NGO income generating projects (by far the most common type of NGO activity) at less than one per cent."<sup>152</sup> In other words, claims that NGOs are far superior to government institutions in providing a wide range of services are greatly exaggerated and the promotion of NGOs rests more on faith than on demonstrated capacity. The promotion of NGOs within the World Bank relates to the shift within the debates in public policy and administration away from a concern with market failure and towards the notion of "state failure".<sup>153</sup> As Jude Howell and Jenny Pearce argue, the policy community was seeking explanations for the failure of

<sup>141</sup> Judith Tendler, *Turning Private Voluntary Organizations into Development Agencies: Questions for Evaluation* (Washington, D.C.: US Agency for International Development, 1982).

<sup>142</sup> J. Vivian, "NGOs and Sustainable Development in Zimbabwe: No Magic Bullets," *Development and Change* 25, no. 1 (1994): 184.

<sup>143</sup> S. Wiggins and E. Cromwell, "NGOs and Seed Provision to Smallholders in Developing Countries," *World Development* 23, no. 3 (1995): 417. See also D. Kamowitz, "The Role of Nongovernmental Organizations in Agricultural Research and Technology Transfer in Latin America," *World Development* 21, no. 7 (1993): 1139-50.

<sup>144</sup> See R. Riddell and M. Robinson, *The Impact of NGO Poverty-Alleviation Projects: Results of the Case Study Evaluations* (London: Overseas Development Institute, 1992); David Hulme and Paul Mosley, *Finance Against Poverty*, 2 vols. (London and New York: Routledge, 1996); and Anthony Bebbington and John Farrington, "Governments, NGOs and Agricultural Development: Perspectives on Changing Inter-organisational Relationships," *Journal of Development Studies* 29, no. 2 (1993): 199-219.

<sup>145</sup> Edwards and Hulme, "Too Close for Comfort?" 963-4.

<sup>146</sup> Vivian, "NGOs and Sustainable Development in Zimbabwe," 184.

<sup>147</sup> S.A. Zaidi, "NGO Failure and the Need to Bring Back the State," *Journal of International Development* 11 (1999): 259-71.

<sup>141</sup> G.J. Schnitz, "Democratization and Demystification: Deconstructing 'Governance' in *Debating Development Discourse*, ed. D.B. Moore and G.J. Schnitz (Basingstoke: Macmillan, 1994), 38.

<sup>142</sup> Jude Howell and Jenny Pearce, *Civil Society & Development: A Critical Exploration* (Boulder, CO.: L. Rienner Publishers, 2001), 40.

<sup>143</sup> Michael Edwards and David Hulme, "Too Close for Comfort? The Impact of Official Aid on Nongovernmental Organizations," *World Development* 24, no. 6 (1996): 961-73.

<sup>144</sup> C.A. Meyer, *The Economics and Politics of NGOs in Latin America* (Westport, CT: Praeger Publishers, 1999), 12.

<sup>145</sup> David Brown and David C. Korten, "Working More Efficiently with Nongovernmental Organizations," in *Nongovernmental Organizations and the World Bank: Cooperation for Development*, ed. Samuel Paul and Arturo Israel (Washington, D.C.: World Bank, 1991), 44-93.

<sup>146</sup> Michael M. Cernea, *Nongovernmental Organizations and Local Development* (Washington: World Bank, 1988), 18.

SAPs to generate the desired economic outcomes. Rather than challenge the basic tenets of the SAPs, however, the donor countries focused energies on promoting good governance, in which they blamed the failure of SAPs on inefficient, corrupt and authoritarian states.<sup>154</sup> The World Bank's *Long Term Perspective Study* of 1989 asserted: "The root cause of weak economic performance in the past has been the failure of public institutions."<sup>155</sup> In other words, the problem was not perceived to be inequality, adverse conditions, unfair markets, or inappropriate economic reforms, but a lack of proper institutional capacity to manage necessary processes of adjustment.

In general, neo-liberal ideologues have tried to undermine the very notion that the state could play any positive role in the economy and society, except to protect private property and secure competitive markets. In the neo-liberal view, the state is not a defender of the public interest, but is rather an organization which is controlled by interest groups, politicians, or bureaucrats who utilize it for their own self-interest, producing economically inefficient outcomes. Neo-liberals see any political determination of economic outcome as essentially leading either to social waste or to the dominance of minority interest over the majority interest. They argue, therefore, that any pursuit of self-interest that is not disciplined by market forces will lead to socially harmful results making it necessary to depoliticize the economy by limiting the ability of the state to intervene in a discretionary or redistributive manner.<sup>156</sup>

Thus, NGOs have an important role to play in the neo-liberal paradigm, because they complement the neo-liberal state, but do not threaten the free market or private property. The increased reliance on NGOs is encouraged under the neo-liberal agenda because it represents the devolution of the production of public goods and services outside of the state, which thereby introduces competitive markets within the public sector and serves to insulate politicians from political pressures. In keeping with this principle, there has been a movement in public policy towards increased reliance on non-governmental bodies (i.e. especially non-governmental organizations) in various areas of governmental activity including the provision of health and social services and the planning and execution of various small-scale economic development projects.

As the priorities of international lenders have shifted, NGOs have also been awarded a key role in the promotion of democracy. Rather than just tackling poverty, NGOs are now celebrated as "representatives *par excellence* of civil societies in the Third World."<sup>157</sup> The professed interest of Western governments to promote democracy through the sponsorship of NGOs, however, does not reflect a change of heart towards more radical visions of

development, such as empowerment. Rather, as the recent enthusiasm for the idea of social capital within the World Bank attests, the *New Policy Agenda's* promotion of participation rests on a conservative-liberal vision of democracy in which organizations advance a political cause or provoke conflict are not as likely to be counted among these organizations which can contribute to the building of a strong civil society.<sup>158</sup> "Non-political" NGOs are preferred over more divisive forms of social organizing, such as trade unions, because of their supposed ability to transcend social cleavages such as race or class. NGOs, which concentrate their efforts on the material improvement of people's lives through small-scale community development projects such as building community centres, hospitals, public parks and schools, are, thus, the favoured vehicles for development.

Within the context of neo-liberal restructuring, civil society is, to a large extent, shaped by donors to conform to a conservative-liberal vision of democracy. The focus on increased capacity within civil society can be attributed to the desire to demonstrate that society is better than the state in solving people's problems. This, in turn, justifies the ever-decreasing state role in service provision and the ever-increasing pressure upon citizens to search for solutions at the local level and among themselves. Thus, while the promotion of NGOs may contribute to the consolidation of democracy, it also underscores and reinforces the neo-liberal form that democracy will take.<sup>159</sup>

### NGOs and the *New Policy Agenda* in Mexico

Unlike the idealized view offered by the World Bank, NGOs are not unambiguous agents of democratization and economic liberalization. Rather, they play a contradictory role in development, simultaneously trying to promote the interests of the marginalized communities they work for and the international donor agencies that fund them. As the NGO sectors grow due to an influx in funding from multilateral and bilateral aid agencies such as the World Bank, they run the risk of becoming increasingly depoliticized due to the roles they will be expected to play.

Mexico provides a good test case for assessing this changing role of NGOs in the international political economy. Not only was it one of the first countries to undergo structural adjustment in 1982 but, following the devastating earthquake in 1985 in Mexico City, the NGO sector in Mexico has grown rather quickly and substantially. After the earthquake, the international aid community responded with generous contributions, but preferred to donate to the NGO-sector rather than state institutions on the grounds that they were more efficient. Following this influx in foreign funding, Mexican NGOs have vastly expanded the scope and area of their activities and have gained much greater capacity with regard to service delivery. This, in turn, has affected how NGOs define their

<sup>154</sup> Howell and Pearce, *Civil Society & Development*, 40.

<sup>155</sup> Cited by Schmitz, "Democratization and Demystification: Deconstructing 'Governance' and Development Paradigm," 38.

<sup>156</sup> See Ha-Joon Chang, "The Economic Theory of the Developmental State," in *The Developmental State*, ed. Meredith Woo-Cummings (Ithaca and London: Cornell University Press, 1999), 182-99.

<sup>157</sup> Andriana Vlachou and G.K. Christou, "Contemporary Economic Theory: Some Critical Issues," in *Contemporary Economic Theory*, ed. Andriana Vlachou (London and New York: Macmillan and St Martin's Press, 1999), 1-37. On depoliticization in the context of Britain, see Peter Burnham, "The Politics of Economic Management in the 1990s," *New Political Economy* 4, no. 1 (1999): 37-54.

<sup>158</sup> Laura Macdonald, *Supporting Civil Society: The Political Role of Non-governmental Organizations in Central America* (New York: St. Martin's Press, 1997), 1.

<sup>159</sup> For the theoretical elaboration of social capital which has been adopted by the World Bank see Robert Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton: Princeton University Press, 1993). For criticisms of the term's liberal-pluralist nature, see Michael W. Foley and B. Edwards, "The Paradox of Civil Society," *Journal of Democracy* 17, no. 3 (1996): 38-52.

<sup>160</sup> L. Taylor, "Privatizing Protest: NGOs and the Professionalization of Social Movements," Paper Presented at the Latin American Studies Association, Guadalajara, Mexico, 1997.

roles, objectives and methodology as well as how they determine their staff membership.<sup>160</sup>

The following section will trace the historical development of NGOs in Mexico, comparing two time periods: the late 1960s to the mid-1980s and the mid-1980s to the present. It will be argued that over time Mexican NGOs have changed increasingly from organizations that aim for deep social change through advocacy and education to those that aim for incremental improvement of the living conditions of the poor through the formulation of technical solutions. Furthermore, due to international pressure, some NGOs have come to focus increasingly on the delivery of services rather than on more political activities, such as consciousness raising and advocacy. In so doing, they have come to play a more accommodating role in the Mexican political economy, serving in part to legitimate rather than challenge neo-liberal policy reforms.

### Assessing the Impact of NGOs

As mentioned above, within the *New Policy Agenda*, NGOs play a central role in development as agents of democratization. For some observers, NGOs are an inherently democratizing force, one that promotes an "increasing pluralism, in contrast to organization of the masses or a corporatist society."<sup>161</sup> As Judith Hellman argues however, the central problem facing analysts of Mexico's transition to democracy is that we do not know *how* democratization takes place, that is, the way in which "grassroot democratic practices [are] transferred into the realm of political institutions and the state."<sup>162</sup> In order to assess whether NGOs have made a positive contribution to the democratization process in the Mexican context, it is necessary to find out if they have been able to break with the political culture of clientelism.<sup>163</sup>

Since the late 1930s, Mexico has had a corporatist system of interest representation. This system, citizens and societal segments are legally bound to the state through a single structure which is licensed by the state to organize and represent that sector of society (peasants, urban unionized workers, business people, teachers and so on). The *Partido Revolucionario Institucional* (PRI), the official party that was in power in Mexico from 1929 to 2000, was divided into three sectors: the labour sector, the peasant sector and the popular sector, each one dominated by one mass, sectoral organization.<sup>164</sup> The PRI has used the corporatist system to divide and rule the ever more atomized working class

<sup>160</sup> F. Mirafitab, "Flirting with the Enemy: Challenges Faced by NGOs in Development at Empowerment," *Habitat International* 21, no. 4 (1997): 362.

<sup>161</sup> Douglas A. Chalmers and Katherine Piester, "Nongovernmental Organizations and the Changing Structure of Mexican Politics," in *Changing Structure of Mexico: Political, Social and Economic Prospects*, ed. Laura Randall (Armonk, New York and London, England: M.E. Sharpe, 1996), 251.

<sup>162</sup> Judith Adler Hellman, "Mexican Popular Movements, Clientelism, and the Process of Democratization," *Latin American Perspectives* 81, no. 2 (1994): 124.

<sup>163</sup> *Ibid.* See also Jonathan Fox, "The Difficult Transition from Clientelism to Citizenship: Lessons from Mexico," in *The New Politics of Inequality in Latin America: Rethinking Participation and Representation*, ed. Douglas A. Chalmers and et al. (New York: Oxford Press, 1997), 391-420.

<sup>164</sup> Wayne A. Cornelius, *Mexican Politics in Transition: The Breakdown of a One-Party Dominant Regime* (San Diego: La Jolla, Center for U.S.-Mexican Studies, University of California, 1996), 5.

within this corporatist structure, individuals and groups seeking something from the government often circumvent their nominal representatives in the PRI sectoral organizations and the Congress, and seek satisfaction of their needs through personal contacts, or patrons, within the government bureaucracy. Popular demands are fragmented into small-scale, highly individualized or localized requests that can be granted or denied case by case. The clientelistic structure provides mechanisms for distributing public services and other benefits in a highly selective and discretionary, if not arbitrary, manner.<sup>165</sup> In Mexico, several decades of the government's effective practice of clientelism has created a strong culture of patronage.

Within this clientelistic structure, oppositional movements are confronted with two uninviting alternatives.<sup>166</sup> They may be co-opted by the regime by signing solidarity pacts that guarantee the kinds of material concessions that their supporters need. If they choose this alternative, they will compromise their independence and lose their ability to criticize the regime and its policies. Alternatively, they may maintain a staunch independence from the regime. Organizations that choose this option run the risk of losing popular support because their members desperately need the material benefits and concessions for which they are struggling. In this context, organizations cannot often afford the luxury of striking a more militant, oppositionist stance.<sup>167</sup> Between the Scylla of demobilization and the Charybdis of co-optation, many NGOs have hoped that foreign funding would help provide a degree of autonomy.

While allowing for some degree of autonomy from the national state, however, foreign funding comes with its own set of constraints. As the foregoing discussion on the *New Policy Agenda* demonstrates, the activities and roles that NGOs play are influenced by the priorities of multilateral donors. Far from promoting radical and emancipatory political projects, these donors favour NGOs that achieve a greater capacity for service delivery, offering training, technology and social programs. As they place increasing emphasis on service delivery, however, NGOs can reproduce the tradition of patronage in a new, non-governmental form. To understand the causes and consequences of this change, we now turn to a comparison of NGOs in Mexico from the late 1960s to the mid-1980s and the mid-1980s to present.

### First Phase of NGO Formation: 1960s to mid-1980s

The changes in the organization of oppositional groups need to be considered against the background of the political and economic shocks delivered to the post-war Mexican model of development over the past thirty years. The economic miracle that was supposed to be realized in Mexico through the activities of the developmental state revealed itself in the late 1960s and early 1970s to be an economic debacle for the majority of Mexicans. In spite of achieving rates of industrialization and economic growth superior to those of most other countries in Latin America, Mexico never emerged into autonomous sustained

<sup>165</sup> *Ibid.*, 52.

<sup>166</sup> Hellman, "Mexican Popular Movements, Clientelism, and the Process of Democratization," 132.

<sup>167</sup> *Ibid.*

economic growth. Instead of achieving balanced development, state policies premised on an import-substitution industrialization growth model, served to dispossess people from their lands and expand a low-wage workforce. This contributed to a bloated sector of intermediate classes. From 1940 to 1970, Mexico's cities grew at unprecedented and unexpected rates. Living conditions in the urban areas deteriorated, as the government was unable or unwilling to extend public services to burgeoning outlying neighbourhoods, many of which did not have legal land tenure. Job opportunities in the cities did not keep pace with the high rate of rural-to-urban migration or with the growing number of high school and university graduates seeking professional employment.<sup>168</sup>

By the end of the 1960s, the Mexican state was facing mounting popular pressures from low-paid workers in urban slums, disaffected students and landless peasants who called for democratic reforms amidst the growing economic crisis. A nation-wide social eruption was initially sparked not by workers or peasants, but by students. As in the rest of Latin America, the hopes for revolutionary? or at least democratic change? raised by the Cuban Revolution stimulated a new politics of social agitation among Mexican youth. Young people were spurred to action by the humanist and socialist ideals of Ernesto "Che" Guevara. Simultaneously, a new theology of liberation emerged among Mexican Catholic youth, inspired in part by Colombia's guerrilla priest Camilo Torres.<sup>169</sup> Some of Mexico's young people also saw themselves as part of an international community of youth that marked the late 1960s protest movements. The political ideologies of 1960 varied from rather traditional reformism to a rich blend of Flores Magonista, Maoist Zapatista, Marxist, Leninist and Guervarist revolutionary ideas. The new consciousness rejected bourgeois values, life-styles and practices; its proponents wanted to forge a worker-peasant-student alliance.

This highly charged political context marks the first phase of formation of Mexican NGOs. In an effort to build solidarity with peasants and workers, many of these students left the universities and moved to poor urban and rural communities to work with the poor. In this first phase of formation, Mexican NGOs were thus composed primarily of university-educated members of the middle classes who had either Marxist or Christian aspirations. They believed in promoting social justice through consciousness-raising among the poor in order to defeat the roots of their poverty and oppression.<sup>170</sup> In the approach, NGOs focused on de-professionalizing themselves, engaging in "trabajo de hormiga", or "ant's work", which aimed to achieve transformation from below. The driving belief of the protagonists in these movements was that raising the consciousness of the poor was a means to social change. Inspired by the methodology of Paul Friere, NGOs promoted processes of consciousness-raising at the grassroots level emphasizing educational work and addressing livelihood issues along the way.<sup>171</sup>

<sup>168</sup> James D. Cockcroft, *Mexico's Hope: An Encounter with Politics and History* (New York: Monthly Review Press, 1998), 245-6.

<sup>169</sup> *Ibid.*, 252-3.

<sup>170</sup> Mirafitab, "Flirting with the Enemy," 364.

<sup>171</sup> Jonathan Fox and L. Hernandez, "Mexico's Difficult Democracy: Grassroots Movements, NGOs and Local Government," *Alternatives* 17 (1992): 178.

In this phase, the legitimacy of NGOs was derived from their engagement and commitment to radical social change. Responding to community needs for such things as housing, health and services was seen as a catalyst for the organization and mobilization of the poor rather than as an end in itself.<sup>172</sup> The ideology of these organizations, known as *basismo*, reflected the NGOs' initial concern with building confidence and organizational capacity amongst the poorest sectors of the population.<sup>173</sup> As Pearce writes:

It could be said that in these years, such legitimacy was more important than the accountability of NGOs to funders and beneficiaries alike. Evaluation of the effectiveness of the popular education and other social organisational work was not as rigorous as it might have been as a result. But the context in which this was taking place was such that there was a widespread belief that social and political transformation was on the agenda...<sup>174</sup>

NGOs thus derived their legitimacy from their role as political advocates, public educators and community organizers. Given their focus on grassroots movements and radical social change, this first generation of NGOs were sceptical about co-operating with government officials. At this stage, the general political strategy of NGOs was that of confrontational opposition, not engagement with the state. For fear of a loss of autonomy, most NGOs maintained their distance from the authorities and refused to participate in, or collaborate with, government social development programs.<sup>175</sup>

In the early part of this phase, NGOs clearly "lived in the shadow of popular movements."<sup>176</sup> In the early 1970s, urban popular movements arose in the northern state of Chihuahua, Nuevo León, and Durango and in the southern state of Oaxaca.<sup>177</sup> The movements organized around what were conceived as the most immediate issues facing the population in a given region: land, housing, water prices and working conditions. Through the 1970s and early 1980s, these urban popular movements grew remarkably in strength and organization. The coalitions that were created from the first wave of urban popular movements were primarily consolidations of smaller neighbourhood organizations. For example, *Frente Popular Tierra y Libertad* (FPTyL) of Monterrey grew out of a squatter settlement named *Colonia Tierra y Libertad*, which was established in the early 1970s by a land invasion organized by student leaders. FPTyL worked in

Mirafitab, "Flirting with the Enemy," 364.

David Lehmann, *Democracy and Development in Latin America: Economics, Politics and Religion in the Post-war Period* (Cambridge: Cambridge University Press, 1990).

Janey Pearce, "Between Cooperation and Irrelevance? Latin American NGOs in the 1990s," in Os, States and Donors: Too Close for Comfort?, ed. David Hulme, Michael Edwards, and Save Children Fund (Great Britain) (New York: St. Martin's Press, 1997), 265.

Mirafitab notes that the housing NGOs are an exception to this rule. As early as the 1970s, the housing NGOs played an influential role in formulating the Law of Human Settlements (1976), which legalized irregular settlements, and helped establish a housing loan organization, *Fondo Nacional de Habitación Popular* (FONAHPO, 1981). Mirafitab, "Flirting with the Enemy," 364-5. *Ibid.*, 365.

Janey Bennett, "The Evolution of Urban Popular Movements In Mexico between 1968 and 1988," *The Making of Social Movements in Latin America: Identity, Strategy, and Democracy*, ed. Arturo Escobar and Sonia E. Alvarez (Boulder, CO: Westview Press, 1992), 244.

solidarity with other land invasions, tenants' struggles and workers' strikes and eventually became the umbrella group for these efforts. The group was directed from the *Colonia Tierra y Libertad* by the original student leaders of the land invasion. It initially consisted of 31 *colonias populares* (poor urban neighbourhoods), 16 tenant groups, 3 *ejidos* (collective farm) associations various working-class subgroups (including bus drivers, street vendors and street photographers), comprising 50,000 to 350,000 people (according to different sources).<sup>178</sup> Similar organizations emerged in other areas of the country. One example is the *Comité de Defensa Popular* (CDP) of Durango, a coalition group of neighbourhood committees, labour and peasant groups, which formed in 1972. Another is the *Coalición de Obreros, Campesinos, y Estudiantes del Istmo* (COCEI) in Oaxaca, formed in 1973, which became a powerful coalition that worked both in the rural and urban sectors. COCEI gained rapid and widespread support among both peasants and low-income city residents.<sup>179</sup>

Towards the end of the period, the urban popular movements greatly enhanced their ability for self-organization. They then moved to consolidate their activities on a national scale through the organization of sectoral networks. A number of national bodies were created to co-ordinate the efforts and alliances of grassroots groups. The National Coordinator/Plan of Ayala (CNPA), which was established in 1979, brought together a number of local and regional peasant organizations. They struggled for their right to land and demanded the implementation of land and agrarian reforms, which had not yet reached some areas of the country, especially in the South. The *Coordinadora Nacional del Movimiento Urbano Popular* (CONAMUP), formed in 1981, was a nation-wide coordinating body for organizations mobilizing around such development issues as housing, lighting, sewage, transportation, schools and subsistence food distribution.<sup>180</sup> Since it was founded, CONAMUP made its principal demand for every poor family to have a piece of land for a dwelling. It denounced the state's previous housing development plans as failing to challenge the interests of the bourgeoisie. A radical socialist organization CONAMUP pledged to continue the struggle of the poor to manage their own lives and to build multi-class coalitions to resist state repression and bring about genuine social change.<sup>181</sup>

The end of the period was also marked by growing tension and an increasing division of roles between the NGOs and popular movements. As Miraftab notes, "NGOs no longer needed to take on the role of organizers to promote the local organizations by creating community-based groups" because they already had two decades of organizational experience.<sup>182</sup> In fact, many of the key regional and national social movements involve in these organizations began to have serious reservations about many of the NGOs. The resentment the NGOs' access to funding and the power that came with it. Most NGOs were seen as "outside" the movements, provoking suspicions that NGO staff wanted to

<sup>178</sup> *Ibid.*, 245.

<sup>179</sup> Miraftab, "Flirting with the Enemy," 365.

<sup>180</sup> J.M. Ramirez Saiz, *El movimiento urbano popular en Mexico* (Mexico: Editorial Galach 1986).

<sup>181</sup> Cockcroft, *Mexico's Hope*, 281-2.

<sup>182</sup> Miraftab, "Flirting with the Enemy," 365.

them over.<sup>183</sup> Instead of waiting for NGOs to come to them, it became increasingly common for community groups to approach NGOs to solicit specialized services which gave the community organization more control over the agenda and allowed them to describe the NGOs' activities. By the end of the period, the role of NGOs started to be more closely related to service delivery than community organization, a trend later compounded by the pressures of structural adjustment.

### Second Phase of NGO Formation: mid-1980s to present

NGOs confronted a radically different external environment in the mid-1980s than they did in the late 1960s. Two decades of popular movements, the Mexican economic crisis in the context of the international crisis, political problems within the government and the ruling party, and also calamities such as the 1985 earthquake, all contributed to the changing objective of NGOs as well as their attitudes towards the state.

In the 1970s and 1980s, the global crisis of capitalism and its specific developments in Mexico produced not only social movements and NGOs but also growing inflation, a burgeoning foreign debt, high interest rates and balance-of-payments deficits. The crisis of 1976-77 introduced a series of economic stabilisation programs that mounted a sharp attack on the real wages and living standards of Mexican workers. The massive development of Mexico's petroleum reserves softened the blows for a while, but by the beginning of 1982, petroleum prices had begun to decline. This event, combined with an international liquidity crisis and Mexico's huge foreign debt, produced an economic debacle of formidable proportions.<sup>184</sup>

The Mexican crisis cannot be explained by looking at domestic factors alone. The tightening of monetary policy that corresponded to the adoption of monetarism in advanced capitalist economies transformed the credit-based economies of many countries, such as Mexico, into debtor economies, leading to the so-called debtor wars of the 1980s and beyond. As Werner Bonefeld points out, the imposition of tight money

escalated the crisis of money to a crisis of the state. As credit was called upon as a means of payment, growing international demand for cash in the face of faltering repayment of credit increased the vulnerability of the international system of finance and credit. The compulsion to export under any circumstances in order to pay debt and growing social tension, forced Poland (1981), Argentina (1982) and Mexico (1982) to declare insolvency...<sup>185</sup>

Increasing pressure from foreign lenders, the government implemented a structural adjustment program, which entailed a 65 per cent devaluation of the peso, followed by severe federal budget reductions.<sup>186</sup> The SAP adopted by Mexico hit the poorest and most vulnerable populations the hardest. More than a million of Mexico's

to the tax and Hernandez, "Mexico's Difficult Democracy," 179.

<sup>183</sup> Barry Carr and S. Ellner, *The Latin American Left: From the Fall of Allende to Perestroika* (Boulder, CO: Westview Press, 1993), 84-5.

<sup>184</sup> Werner Bonefeld, "Monetarism and Crisis," in *Global Capital, National State and the Politics of Money*, ed. Werner Bonefeld and John Holloway (New York: St. Martin's Press, 1995), 49.

<sup>185</sup> Cockcroft, *Mexico's Hope*, 274.



regularly employed workers were laid off in the fall of 1982, as an ever-greater percentage of the population was driven into the ranks of the unemployed.<sup>187</sup>

The growing indebtedness and fiscal crisis facing the Mexican state eroded its ability to maintain social control through its corporatist channels.<sup>188</sup> In the words of the Mexican President, the IMF's stabilisation programs "annulled" the state's ability to mediate the class struggle and left "its possibility of governing cancelled".<sup>189</sup> The payments of Mexico's accumulated external debt, as well as the adoption of the SAPs and austerity measures all imposed serious limitations on the resources available for public expenditures. In 1983, for example, 93 per cent of the budget of Mexico City was spent on debt repayment.<sup>190</sup>

The crisis-ridden corporatist state made NGOs more confident that they could collaborate or cooperate with the state without losing autonomy. As Mirafitab argues, to a certain degree, this has also been "influenced by changes in attitudes of the left, where negotiation is increasingly accepted as a strategy of opposition. Although some NGOs still reject co-operating with the government on ideological grounds, many now consider this an outdated attitude that represents a politics of self-exclusion."<sup>191</sup> As one NGO member reported, "today even *Comandante Marcos* [the leader of the Chiapas uprising] is sitting at the negotiation with the government. Why should we not? We enter any space that opens up in the civil society, even if it is initiated by the government, if it serves our objective, we want to be included in it."<sup>192</sup> In the wake of the enervated corporatist state, NGOs now place a much greater emphasis on influencing the government and creating coalitions to oversee social and economic policies than they did in the previous decade.

The earthquake that shook Mexico City in 1985 marks the second major turning point in the history of Mexico's civil society in the post-war era. The earthquake not only brought buildings down, but also shook the foundations of the established structures of social and political control and representation. This included the social left organizations of the urban poor. In the effort to rebuild, people turned to their own collective resources rather than to traditional leaders of either the PRI or the opposition parties. New organizations with more moderate demands came to replace the more radical ones of the 1970s. Until the earthquake, CONAMUP had been the principal force defending the demands of urban homeowners and low-income tenants. CONAMUP leaders had pinned their hopes on NGO funds, hoping that they would receive enough to be able to develop

<sup>187</sup> *Ibid.*

<sup>188</sup> Ann L. Craig, "Institutional Context and Popular Strategies," in *Popular Movements and Political Change in Mexico*, ed. J. Foweraker and A. Craig (Boulder, CO: L. Rienner Publishers, 1990), 271-84; J. Foweraker, "Introduction," in *Popular Movements and Political Change in Mexico*, ed. J. Foweraker and Ann L. Craig (Boulder: L. Rienner Press, 1990), 3-20; Diane E. Davis, "Failed Democratic Reform in Contemporary Mexico: From Social Movements to the Street and Back Again," *Journal of Latin American Studies* 26, no. 2 (1994): 375-409; Mirafitab, "Flirting with the Enemy," 361-75.

<sup>189</sup> Cockcroft, *Mexico's Hope*, 274.

<sup>190</sup> A. Gilbert, "The Provision of Public Services and the Debt Crisis in Latin America: The Case of Bogota," *Economic Geography* 66, no. 4 (1990): 349-61.

<sup>191</sup> Mirafitab, "Flirting with the Enemy," 366.

<sup>192</sup> *Ibid.*

their own reconstruction project. They were wrong, and lost their leadership role in the process.<sup>193</sup> As Fox and Hernandez argue: "The CUD [*Coordinadora Unica de Amnificados*] emerged to fill the resulting vacuum between the state and key sectors of the urban poor."<sup>194</sup> The CUD, as opposed to its predecessor, was much more focused on engaging with the state and proposing workable solutions. Rather than demanding that each family was owed a plot of land, the CUD managed to achieve the more modest goal of pressuring the state to make changes to its reconstruction policy. They stopped vicinations so that residents could remain in their original neighbourhoods and expropriated buildings.<sup>195</sup> The new strategy employed by the CUD is a good example of the shift in the mode of political engagement from *contestación* (confrontational opposition) to *oposición* (constructive engagement).

These new movements were successful in inspiring a large degree of social mobilization. In 1986, the largest peaceful street demonstrations since 1968 took place. In such demonstration, the combined effort of the CUD, which co-ordinated the efforts of 20 different neighbourhoods in Mexico City and the powerful independent electrical workers' union, SME, resulted in 70,000 demonstrators turning out during one of the oldest winters in Mexico City's history. On the second anniversary of the quake, the Metropolitan Front in Mexico City organized a march of 90,000 people to demand jobs and housing.<sup>196</sup>

The influx of foreign funding also provoked both qualitative and quantitative changes in the nature of the NGO sector in Mexico. This created many new opportunities, but also new challenges. Dozens of new, small, secular NGOs appeared alongside the more established agencies. After the earthquake, Mexican NGOs expanded greatly in operational capacity, covering a broader range of issues, focusing on new concerns in their activities and specializing in particular services. For example, the *Centro Operación Vivienda y Poblamiento* (COPEVI), which was founded in the 1960s, was initially concerned with housing and community services, organizing squatters, exerting pressure on the state to provide services, researching the conditions of those areas and furnishing proposals. After the earthquake, two new organizations evolved from the parent organization: *Centre de la Vivienda y Estudios Urbanos* (CENVI), which is research oriented, and *Formento Solidario a la Vivienda* (FOSOV) which works with grassroots organizations in target communities.<sup>197</sup> This increasing expertise and specialization of NGOs has meant a fundamental transition in the nature of the NGO sector, which has had both positive and negative consequences.

As well as expanding the size and diversity of the NGO sector, the influx of foreign funding has also introduced a new set of constraints that have fundamentally changed the nature of NGOs in Mexico. First, when donors finance service delivery they expect

Government contractors built or repaired more than 44,000 housing units in record time, compared with at most a few thousand built by NGOs. Fox and Hernandez, "Mexico's Difficult Democracy," 181.

*Ibid.*, 180.

*Ibid.*

Cockcroft, *Mexico's Hope*, 281.

Mirafitab, "Flirting with the Enemy," 366-7.

contracted outputs to be achieved and may withdraw if targets are not met. Accountability, therefore, becomes replaced by accountability, shifting the focus of organizations away from the grassroots and towards the foreign donors.<sup>198</sup> Second, foreign donors require constant appraisal, reporting, evaluation and accounting, which have led to changes in the composition and orientation of NGOs. The confluence of these factors serves to limit the scope of NGO activities and their ability to promote participatory development. As we will see, the technical NGOs that have been fostered in this second period of formation barely resemble the political NGOs of former times.

There is some evidence which suggests that the pressure exerted by donors has affected the nature of the Mexican NGO sector towards bureaucratization and professionalization. Some NGOs have to hire staff members who possess technical capabilities, rather than personnel committed to social change. "This is an additional indicator of NGOs' move away from idealism and voluntarism, which characterised NGOs in the earlier decades, towards a corporatism in which they operate more like contractors or consultancy firms."<sup>199</sup> As Gabriela Sanchez, one of the founders of a consulting firm, *Espiral*, that works with NGOs in Mexico City, argues, over the past few years the changing roles and objectives of NGOs have often resulted in a state of confusion as NGOs try to determine whether they are pressure groups, groups dedicated to providing technical assistance, both, or neither.<sup>200</sup> The challenge for NGOs is to absorb and accommodate the new wave of professionals without creating a divide within the organization between the *políticos* – the old-timers, the charismatic leaders, the founders of the organizations and the ex-militants of the popular movements – on the one hand, and the *técnicos* – the new generation of middle-class professionals who have joined the NGOs to offer their skills – on the other.<sup>201</sup>

The belief that technocratic approaches and small-scale projects can solve the problems of underdevelopment has placed some NGOs in the contradictory position of trying to clean up the social problems created by structural adjustment policies of excessive private sector exploitation. In the rural areas of Mexico, for example, NGOs offer income-generating projects to impoverished *ejidatarios* (members of *ejidos*), whose problems have been exacerbated by privatization under neo-liberalism and the sale of their land on the "free" market. As James Petras writes:

While the neo-liberals were transferring lucrative state properties to the private rich, the NGOs were *not* part of the trade union resistance. On the contrary, they were active in *local privatization projects*, promoting the private enterprises discourse (self-help) in the local communities by focusing on micro-enterprises.<sup>202</sup>

<sup>198</sup> Edwards and Hulme, "Too Close for Comfort?," 968.

<sup>199</sup> Mirafteab, "Flirting with the Enemy," 367.

<sup>200</sup> *Ibid.*, 371.

<sup>201</sup> *Ibid.*

<sup>202</sup> James F. Petras, *The Left Strikes Back: Class Conflict in Latin America in the Age of Neoliberalism* (Boulder, CO: Westview Press, 1999), 76.

Rather than protecting the *ejidatario* system, NGOs in Mexico have generally served to encourage the integration of the peasant classes into the capitalist economy through the promotion of small businesses. This can leave NGOs in a situation where they have assisted in the repair social and environmental damage caused by overexploitation and bad planning rather than having challenged the policies which resulted in the mess in the first place.

One such example is a project established in a small rural municipality in the State of Puebla in 1987. The farmers in the area had mobilized against the activities of the local paper mill, which had effectively deforested the area over several generations. The reforestation of the area resulted in land erosion that adversely affected the farmers' crops (primarily beans and corn). In order to placate the farmers, the government offered a development plan to switch their production from beans and corn to fruits. The farmers did not know much about caring for fruit trees, but they accepted the offer since the seedlings were offered at no cost and fruit sold at a higher price than beans and corn. After a few years, however, it became apparent that the government's plan was a temporary solution and problems resurfaced. The type of peach given to the farmers was of minimal quality and low productivity. In addition, in order to compete with imported peaches, farmers needed to invest in pesticides, which they could not afford due to increased prices and the removal of public subsidies. The community contacted an NGO, which organized training workshops in the use of alternative pesticides and fertilizers and also established a revolving fund for agricultural credits. As Mirafteab writes: "On the one hand, the livelihood of these families could have been lost without the limited assistance of the NGO; on the other hand, the NGO intervention smoothed over a problem left by the manipulative policies of the government."<sup>203</sup>

As the shift from *contestado* to *concertación* attests, unlike the NGOs that preceded them, the new generation of NGOs in Mexico has an essentially reformist character. For some analysts, the proliferation of NGOs has thus helped to "disarticulate protest into a wide range of negotiation and implementation processes," which serves to institutionalize existing patterns of contestation between civil society and the state, and within civil society itself.<sup>204</sup> Far from being an autonomous response of civil society to an opportunity to fill in the gap of state power, the new generation of NGOs in Mexico is largely a creation of funding agencies, including the World Bank. Rather than being interested in democratization and participatory development, the World Bank is motivated precisely by the fact that NGOs help legitimate the policies of structural adjustment that prescribe the withdrawal of the state from public assistance. Considering all these pressures, then, it is surprising that NGOs in Mexico have done little to turn the tide against neo-liberalism. As James Cockcroft suggests, "Despite their often good intentions, NGOs had the real power to improve peoples' lives, except for those Mexican individuals who had upward mobility by working at salaried NGO jobs."<sup>205</sup> Under pressure from international lending agencies, NGOs in Mexico have come to play the role of compliant

Mirafteab, "Flirting with the Enemy," 370.

A. Denitrovic, "NGOs and Social Movements: A Study in Contrasts," *Capitalism, Nature, Socialism* 11, no. 4 (2000): 139.

Cockcroft, *Mexico's Hope: An Encounter with Politics and History*, 283.



service providers, not the political advocates, public educators and community organizers envisioned by left theories of social governance.<sup>206</sup>

## Conclusion

This paper has argued that NGOs have been tentative beneficiaries in the *New Policy Agenda*. The neo-liberal assault on the state has focused attention upon the NGOs. This has occurred because neo-liberal governments have moved to download former public responsibilities onto the market, non-profit organizations and individuals. The neo-liberal model encourages states to forge new partnerships with non-state actors, such as voluntary bodies to develop alternative service delivery options, on the assumption that intrusive government involvement has undermined economic competitiveness as well as voluntary citizen participation, charitable giving and self-help. The neo-liberal impulse to revive voluntarism and more participatory civic culture speaks to the neo-liberal desire to disinvest responsibilities for various citizenship rights in the social and economic spheres. The implication of this move is a redefinition of democracy itself to conform to market imperatives.

Unless NGOs can find other sources of funding, they will be beholden to the agenda of foreign donors who are trying to form civil society in a way that conforms to the neo-liberal vision of democracy and the state. Trying to meet the requirements of their donors NGOs can end up spending more time creating budgets, performance evaluations and reports than working in the communities they are supposed to be serving. Rather than becoming innovative, participatory, creative organizations, NGOs are in danger of becoming technical transfer agents for the money from donor governments. The result of this process will be the depoliticization of development, as technical solutions to integrate the poor into the world capitalist market prevail over political solutions which would seek to fundamentally transform the distribution of power and resources and the nature of capitalist production itself.

NGOs thus represent a contradictory response to the political and economic crisis brought by neo-liberal globalization. On the one hand, many NGOs are actively engaged in trying to reform the world system. For example, the recent World Social Forum in Porto Alegre, Brazil, attests to the fact that many NGOs are actively engaged in trying to affect the policy agendas of the Northern countries and are addressing questions of development in terms of political questions about context and power. On the other hand, other NGOs are engaged in activities that allow for and legitimate neo-liberal reforms such as those which aim to remove the state from the economy and shift the onus for change onto individuals and communities. Grassroots support organizations with their direct ties to communities are the preferred vehicles of global governance under the NPA, since donors are conservative-liberal vision of democracy inspires them to favour organizations which avoid confrontational politics. Evidence from Mexico suggests that NGOs there are reforming their goals and strategies to adjust to the priorities of international donors. The danger is that NGOs may abandon their roles as political advocates, community

<sup>206</sup> Alan Zuege, "The Chimera of the Third Way," in *Socialist Register 2000: Necessary and Unnecessary Utopias*, ed. Leo Panitch and Colin Leys (London: Merlin Press, 2000), 87-114.

organizers and educators seeking long-term change in favour of technical, short-term solutions to development problems.

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