Dangerous Correlations: Aid's Impact on NGOs' Performance and Ability to Mobilize Members in Pakistan

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Summary. — Based on a country-wide survey of 40 civil society organizations in Pakistan, this paper demonstrates that the policy of channeling development aid through NGOs in the South in the name of generating social capital and strengthening civil society is having a reverse impact: organizations reliant on development aid have no members. The survey indicates a strong correlation between receipt of international aid and absence of members; it further demonstrates a strong correlation between aid and rise in material aspirations among leaders of NGOs and lower organizational performance. The paper raises possibility of a causal relation where aid leads to material aspirations among leaders of NGOs, which in turn result in lower performance and an inability to mobilize members.
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1. INTRODUCTION

Within literature on cooperation or related notions of trust and social capital, the role of an outside force external to the parties directly involved in the action in enhancing cooperation is well established: Hobbes found an external force in the form of a Leviathan necessary for bringing about civic order and much of economic literature on problems of collective action—Prisoners' Dilemma, Hardin's Tragedy of Commons, and Olson's Logic of Collective Action—views state imposition of private property rights critical for overcoming free riding. Less acknowledged is the fact that third party intervention can also destroy cooperative behavior: James Coleman argues that external intervention—for instance, government aid in times of need—that makes people less dependent on each other destroys social capital (Coleman, 1990).

This paper demonstrates strong support for Coleman's argument: a comparative survey in Pakistan of 20 civil society organizations that draw on international development aid (NGOs), and another 20 that do not, here referred to as Voluntary Organizations (VOs), shows that development aid is leading to organizations which have no members—a key measure of social capital (Putnam, Leonardi, & Nanetti, 1993; Putnam, 2000). The paper addresses two questions: one, is international development aid restricting Pakistani NGOs' ability to mobilize members?; two, does this outcome bear any relationship with impact of aid on motivation of the leaders of these organizations, and the organization's performance?

The structure of the paper is as follows: Section 2 sets the analytical framework; Section 3 documents the methodological concerns; Section 4 examines the relationship between aid and an NGO's ability to mobilize members; Section 5 compares the motivation of the leaders of the NGOs and the VOs; Section 6 compares their performance on selected performance indicators; and, Section 7 presents the conclusions (see Figures 1 and 2).
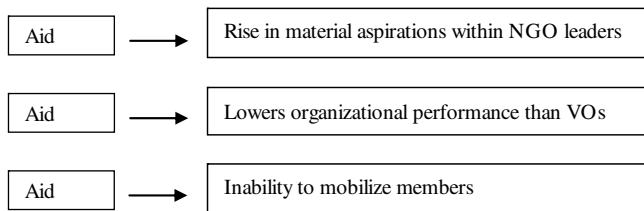
Figure 1. *Strong correlations.*
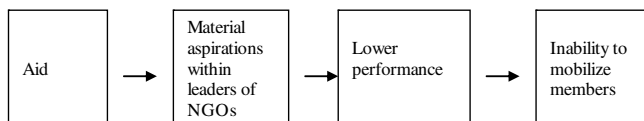
Figure 2. *Plausible causality chain.*

2. DEVELOPMENT AID, SOCIAL CAPITAL, AND NGOS

With the rise of the Washington Consensus and its emphasis on economic liberalization and political democratization, aid flows to NGOs in developing countries have constantly arisen since the eighties (Barrow & Jennings, 2001; INTRAC, 1998). Under this paradigm, the state was viewed as inefficient, rigid, bureaucratized, and urban-based whereas the NGOs were seen as cost effective, flexible, innovative, localized, and committed to the poor (Edwards & Hulme, 1995). This efficiency argument, however, soon ran into trouble as an increasing number of studies documented the NGOs' inability to ever fully replace the state in delivery of social services (Edwards & Hulme, 1995; Riddell & Robinson, 1995; Robinson, 1996). This period saw the adoption of two complex concepts to support the policy of funding NGOs in the south within international development agencies: social capital and civil society (Harriss, 2002; Jenkins, 2001). By linking the presence of voluntary associations to democratic culture, these concepts helped view the NGOs not just as a means to an end but as an end in themselves thereby justifying increased aid flows to NGOs (Howell & Pearce, 2001).

Since then a number of studies have however noted the limitation of this reasoning. Studies show that in many countries NGOs drawing on international development aid are often unable to mobilize volunteers (Sperling, 1999) and are an object of active public distrust (Fowler,

2002; Harper, 1996; Kuratov & Solyanik, 1995). NGOs are argued to be forming an elite within the civil society in developing countries so that rather than fostering horizontal networks and grassroots initiatives, they have contributed to the emergence of a vertical, institutionalized, and isolated civic community which lacks "a visible constituency" (Henderson, 2002; Tvedt, 1998). Others note that donors have created NGOs in developing countries without first understanding the complexity of civil society in individual countries with a consequence that there seems to be now an "old" and a "new" civil society in these countries (Anheier & Salamon, 1998; INTRAC, 1998; Lewis, 2004). Looking at the donors' attempt to create democratic polity in Palestine by funding local NGOs, Nabulsi (2005) shows that donor aid replaced the historical tradition of democratic practice with undemocratic institutions with little public representation. Based on his own experience at the World Bank, Michael Edwards shares similar concerns and notes that the policy of funding NGOs as a way of strengthening the civil society has proven to be ineffective and has in many cases actually eroded social capital (Edwards, 2006). Attempting to explain the impact of aid on NGOs' membership and accountability, Brautigam (2000) and Biekart (1999) note that western aid risks breaking the links of accountability between NGOs' members and officials: since aid contracts are negotiated between the western donors and heads of the NGOs they minimize local accountability and encourage transmission of northern values, which harms

the legitimacy of the NGO leadership among its constituency. Since these concerns strike at the very foundation of the justifications for funding NGOs, they require serious exploration. Much of the research on these issues however remains based on anecdotal evidence and observations. By undertaking a country-wide survey designed to study the membership, motivation of the leaders, and organizational performance of forty biggest NGOs and VOs in Pakistan, this paper attempts to explore possible explanations for aid's impact on an NGO's ability to mobilize members.

At this point, it is important to address one key question: why should an NGO's inability to mobilize members within the society to support its cause be a concern? Cannot NGOs simply act as service delivery organizations or efficient "contractors" to implement development projects? After all, as Jordan and Van Tuijl (2006) argue, why should representation matter? NGOs can be held accountable by mechanisms other than participation: Ebrahim (2003) notes five such mechanisms including reports and disclosure statements, performance assessments and evaluations, participation, self-regulation, and social audits. The answer to why members matter rests in understanding the reasons why donors themselves use social capital and civil society as important justifications for funding NGOs. Though conceptually dense notions, social capital and civil society have been interpreted narrowly within development institutions with a particular emphasis on associational life and participation. Within donor discourse, de Tocqueville's (1994) *Democracy in America* and Putnam *et al.*'s (1993) *Making Democracy Work* are the key texts for this debate. de Tocqueville (1994) maintained:

> When some view is represented by an association, it must take clearer and more precise shape. It counts its supports and involves them in its cause; these supports get to know one another, and numbers increase zeal. An association unites the energies of divergent minds and vigorously directs them toward a clearly indicated goal (de Tocqueville, 1994, p. 190).

In the same vein, while explaining dense networks of voluntary associations as the main explanation for northern Italy's economic progress over the country's southern part, Putnam *et al.* (1993) argues that these voluntary organizations enable like-minded people to unite, articulate a collective interest, and take collective action. Inherent in this emphasis on voluntary associations are the three currently influential concepts of participation, public rep-

resentation and empowerment. As Tocqueville highlights, it is the accumulation of people around an idea that gives an organization its zeal and its legitimacy to advance that cause on public behalf. A recent policy document of the World Bank documenting the rationale and policy framework governing Bank's engagement with Civil Society Organizations (CSOs) similarly notes promoting public consensus and local ownership, giving voice to the concerns of primary and secondary stakeholders, and improving public transparency and accountability as the three key factors for supporting NGOs in developing countries (World Bank, 2005). This emphasis on members and networks is also visible in another recent publication elaborating the understanding of social capital within The World Bank: social capital enables "people to work together;" it generates "connectivity" or the "electricity," which facilitates collective action (Bebbington, Woolcock, Guggenheim, & Olson, 2006).

Many other authors have noted this prerequisite that NGOs face to legitimize their claims to be public representatives. Fowler and Biekart (1996) note that local donors and volunteers are important indicators of an NGO's claim of public representation. Zadak (1996) emphasizes that NGOs gain legitimacy over the state and claim moral representation of the excluded by virtue of being embedded within the public. Saxby (1996) notes that by self-portrait and others' descriptions NGOs are voluntary associations of altruistic citizens, responsive to their beneficiaries, accountable to their constituencies, and advocates of the poor. He further argues that NGOs and aid agencies deliberately want to appear value-oriented as it gives them a special status in public opinion and that "magic image" absence of which will impact their private donations.

An extract from a Canadian parliament's speech quoted in (Sogge, 1996) captures nicely the participatory expectations people have from NGOs: "...NGOs have always served as our collective conscience, and as a vehicle for direct citizen participation in nearly all the areas that affect our lives. These groups are closest to the people. They know what is needed. And they have a credibility that government often lacks." [1]

The above discussion thus shows that in the donors' policy documents regarding NGOs and the theoretical debates on social capital and civil society, the emphasis all along is on the NGOs' ability to connect to the public

and mobilize members of the public around a cause. It is therefore important to explore why aid could be having the reverse impact.

3. METHODOLOGY

This paper draws on a country-wide survey (see Map 1) conducted in Pakistan during 2003-2004 to study the impact of development aid on membership, motivation, and performance of NGOs in Pakistan. Since the survey was designed to study the impact of development aid, the sample made a distinction between public spirited organizations drawing on development aid and those which are reliant on domestic donations: the former were called NGOs and the latter Voluntary Organizations (VOs). It is admittedly a problematic distinction but it is argued here that the existing usage of these terms in the literature allows for this usage. [2]

Both terms represent organizations that serve constituencies external to themselves; they are not grassroots or membership organizations that work to safeguard the interests of their own members. The importance of this distinction is clear in current scholarship. Noting that there was little prior consideration of the insti-tutions which already existed when a donor led development program was implemented through NGOs in Kenya, Howes (1997) drew a distinction between "NGOs" that seek to aid constituencies external to themselves, and "membership organizations," which work to further the interests of their own members. Carroll (1992) draws a similar distinction between "Grassroots Support Organizations" and "Membership Support Organizations." Korten (1990) raises the same concern when he defines "voluntary organizations" as those that pursue a social mission-driven by a commitment to share values and "people's organizations" as those that represent their members' interest. The focus of this paper is on "voluntary organization" and not on the "people's organization." In this paper, neither the NGO nor the VOs work for their own members, both represent organizations which serve a constituency external to the organization.

The difference between the two is, however, of their source of funding. NGOs are taken to be organizations which chose to rely primarily on development aid to execute their program. This does not rule out the possibility that they might also be mobilizing domestic funds. The VOs on the other hand are organizations outside the

Map 1. *Pakistan: main cities covered in the survey.*

donor-funded chain who choose to rely primarily on public donations and volunteers to advance their cause. Since these donors and volunteers are of different kinds (regular, irregular) the term "members" is used in this paper to cover all categories of supporters that facilitate the working of VOs. These supporters represent horizontal members as opposed to vertical members represented by the clients of these organizations (Henderson, 2002).

The sample was developed on the basis of purposive and maximum variation sampling as it helped capture maximum variation within the NGOs and VOs in terms of scale, geographical, and sectoral distribution (see Table 1). This made it possible to test if the issues being studied are sensitive to these variations. This also meant that the NGOs selected could be funded by any kind of western donor: multilateral, bilateral, or an INGO. The approach was to select the most prominent cases—determined by their scale of operation, annual budgets, funding levels, and their reputation within the donors, government officials, media, and research institutes—on the logic that if the best examples from the two types of organizations fail on a specific indicator then it is reasonable to suspect that the less established organizations stand even less chance of performing better. Carroll (1992) used a similar logic in his study by selecting thirty NGOs which were identified as "well-performing" in some respect by the concerned donor agency.

These organizations were identified in discussion with staff members of 17 prominent international donor agencies operating in Pakistan, consultation of their annual funding reports, and by analysis of the existing surveys and reports on NGOs in Pakistan (AKDN, 2000; LEAD, 2002; NGORC, 2003; PCP, 2002). Thus, the survey included the most prominent and the largest NGOs and VOs across the selected categorizes across Pakistan. A sample size of forty was selected to enable the researcher to personally conduct all the interviews—this allowed consistency in data collection—while allowing space for covering maximum variations within each category. It also helped observe the location, physical infrastructure, and organizational culture.

A semi-structured questionnaire was administered with the chief executive of each organization. It was designed to measure three factors: ability to mobilize members; motivation of the leaders; and organizational performance. A correlation was suspected among these factors given that the NGO literature noting lack of members also refers to high salaries of NGO leaders and questionable performance (Henderson, 2002; Tvedt, 1998). Where possible brief discussions also took place with some of the staff members and volunteers; organizational

Table 1. *Sample selection*

Selection criteria	NGOs	VOs
Sector variation	9 Education	9 Education
	5 Health and sanitation	7 Health
	2 Child rights	2 Legal aid
	2 Purely advocacy based	2 Purely advocacy based
	2 Micro-credit (6 others did micro credit in additon to their core programs) 100% claim gender and governance as cross-cutting themes; 3 focused exclusively on women rights	1 Focused exclusively on women rights
Scale	25% Countrywide	30% countrywide
	30 Province wide	30% Province wide
	40% District wide	35% District wide
	5% CBOs	5% CBOs
Geographical distribution	5 Punjab	7 Punjab
	5 Sindh	8 Sindh
	4 Federal capital	1 Federal capital
	5 NWFP	3 NWFP
	1 Baluchistan	1 Baluchistan

publications, such as annual reports, introductory brochures, weekly or monthly newsletters, were also analyzed. Taking cues from Putnam and Tocqueville, the two indicators that were developed and measure an organization's social capital were the presence of local donors and the presence of volunteers who contribute freely of their time to advance the work of the organization for no material gain.

Economic anthropologist, Jean Ensminger's reasoning—"...how else can we be confident with any degree of scientific certainty that an ideological commitment exists except in terms of what people are prepared to forgo for its service?" (Ensminger, 1992, p. 10)—helped develop indicators to measure the motivation and ideological commitment of the leaders of these organizations. Measuring performance was more complex. The survey was designed to test organizational performance and not project performance. It therefore focused on the organization's ability to survive and stay focused on its stated vision rather than measuring specific outcomes of the projects implemented by that organization. Table 2 lists the key indicators developed to measure the three factors.

It is pertinent to mention here that this survey was conducted as part of a DPhil thesis, which included other tools to triangulate the data, most noticeably interviews with over 300 respondents on their perception of the term "NGO." Respondents included the lay public as well as specialized groups having contacts with NGOs: politicians, bureaucrats, journalists, activists, and religious groups. This paper cannot capture the details of the perceptions

survey but some findings are included as they strengthen the claims within this paper.

4. SOCIAL CAPITAL: ABILITY TO MOBILIZE MEMBERS

The survey reveals marked difference in the ability of the two types of organizations to mobilize members: all 20 VOs included in the survey relied on indigenous donations as opposed to only three NGOs. Even in case of these three NGOs, the amount of the local contribution was insignificant and consisted of corporate rather than individual donations; all NGOs relied almost exclusively on development aid (see Table 3).

As for volunteers, though both types of organizations reported difficulty in harnessing a big number, 100% of the VOs reported having a core pool of volunteers, whereas none of the NGOs did. There were two types of arrangements with volunteers within the VOs: 80% of the VOs had paid staff members, while volunteers provided specialized services; 20% VOs were run entirely by volunteer members. Service and Development, a women-run organization, had a core group of six volunteers that supported the leader in the management and running of the organization. Similarly, *Irtiqa*, an organization of university professors and thinkers in Karachi working to promote freethinking, relied on voluntary time investment of four core members.

All VOs with paid staff at the same time had volunteers who provided their professional ser-

Table 2. *Indicators*

Factors	Indicators	Sub-indicators
Social capital	Presence of local givers	
	Presence of volunteers	Direct and indirect volunteers
Motivation and ideological commitment	Material sacrifice	Leader's salary; initial investment
	Origin of the organization	
	Commitment to beneficiaries	
	Material comfort	Organizational spending
Organizational performance	Empowerment *vs.* dependence	
	Advocacy *vs.* service delivery	
	Agenda setting *vs.* agenda following	
	Sustainability *vs.* fluctuations	Annual budgets; stable objectives
	Elite representation *vs.* grassroots representation	Socio-economic background of leaders

Table 3. *Measuring social capital*

Social capital	NGOs	VOs
Presence of local givers	15%	100%
Presence of volunteers	0%	100%

vices free of charge to promote the organization's mission: all VOs running schools or orphanages mentioned having an understanding with prominent doctors and dentists who provide free services to the children served by the VO. Among NGOs, on the other hand, the only concept of a volunteer was an intern—young students or recent graduates who joined the organization with the explicit intention of gaining a job within the development sector.

However, even many VOs recorded difficulty in retaining volunteers or inducting new ones from the younger generation; most attributed this to the rise of the ''NGO culture.'' President of APWA, the oldest women's rights organization in Pakistan, was of the view that younger females often volunteer with other intentions: ''Once trained they quickly move on to set up their own NGOs where they can make good money.'' [3]

In addition to the regular volunteers, the VOs also had a big pool of indirect volunteers. In the case of VOs, the initiators as well as the regular volunteers mentioned that they are always able to get concessions on purchases and professional services. For example, volunteers at Service and Development explained that they are able to keep their costs low because they are always able to get large discounts from the shop owners. ''We tell them that it is for a good deed. We say to them, you make so much profit, by giving this concession you will become part of this good deed too,'' explained one of the members. [4] The members of Service and Development were confident that individuals respond very favorably when they are convinced that the work is being undertaken for a good cause and that the one undertaking the work is not making a personal profit out of it. This issue arose repeatedly in interviews with the VOs. It seemed a critical means of keeping the cost of their work very low. None of the NGOs interviewed, however, demonstrated an ability to mobilize such support.

At the same time, the four VOs that had started to draw upon international development aid reported problems. Maternity and Child Welfare Society, a VO that in the last decade had started taking international aid, reported serious problems due to this move. The organization almost collapsed with the influx of international development aid. ''The real volunteers got disheartened. The really genuine worker leaves when he sees money come into play. The people who are more interested in personal gains start getting attracted to the organization,'' said the current President of the organization. [5] In the case of a small CBO, another negative affect of accepting international aid is that people refuse to pay even the small membership fee they used to pay before. As one respondent said, ''They now say that you are gaining profit out of this work. They say that in fact you are hiding away the money.'' [6]

The survey thus indicates a clear absence of joiners as givers or volunteers in the case of NGOs. The question then is, is it a matter of choice or inability on the part of the NGOs? The survey results show that it is true that the NGOs in general do not actively work to mobilize local joiners because they prefer to focus their energies on international donors who provide big donations. At the same time the survey shows that NGOs are unable to mobilize members even when they need them and a few examples show that even those organizations, which had members prior to taking development aid, lost them on receipt of aid.

Ninety per cent of the NGOs acknowledged their inability to mobilize local joiners. Many said that the fluctuations in aid flows in response to the political developments in the country have made them think of exploring indigenous funds, but they have so far not been able to figure out how. The inability to mobilize joiners was also visible in a public accountability drive, launched by the bigger NGOs in Quetta, capital of Baluchistan province. Titled *Baluchistan Citizen Sector Self-Regulation Initiative* (*BCSSI*)-*2003 Code of Conduct*, the campaign requires its participants to become more transparent in their activities and accounts in an attempt to improve their public image.

The inability to mobilize members as donors and volunteers was further visible in a parallel public opinion survey conducted as part of this research across the cities in which the organizations were surveyed. Analysis of the perceptions of the general public and the specialized groups demonstrates that the term NGO has an overwhelmingly negative perception in Pakistan (Bano, 2005). [7] People make a clear distinction between VOs and NGOs. Anyone familiar with the term ''NGO'' immediately associates it with donor aid. The key critiques can be grouped in two categories: performance-related and

ideological. Performance-based critiques re-volve around lack of visible signs of work of NGOs and elitist offices that are inaccessible to an ordinary citizen. Ideological critiques re-volve around initiators' lack of commitment, unquestioning acceptance of western values, promotion of neo-imperialist agenda, depoliti-cizing the society, and demobilizing the volun-tary activist and worker. This negative perception of the term ''NGO'' was also re-flected among the leaders of the VOs: not even one of the VOs' surveyed wanted to be called an NGO. As the chief executive of a rapidly expanding VO that runs an education program in Lahore maintained: ''We do not like being called an NGO. NGO is a very dirty word. It is like an abuse. NGO people have misused the money like anything. The whole issue is that of *niyat* (intention) and integrity. Corruption is phenomenal in there.'' [8]

5. MEASURING MOTIVATION

The survey also reveals stark differences in the motivation of the leaders of the NGOs and the VOs (see Table 4).

(a) *Material sacrifice*

In the case of the VOs, none of the leaders were paid for their work; they all worked vol-untarily. In case of NGOs, 100% of the leaders

were paid for their work, and 95% admitted that their salary was higher than the equivalent government pay scale. Hence, whereas in the case of NGOs, for the leaders the work was their source of income, in the case of VOs their work at the organization was completely volun-tary, often in addition to their other profes-sional duties elsewhere. Most had also made major financial contributions to setting up the organization. While absence of any monetary benefits in terms of salary makes it possible to argue that the initiators of the VOs were pri-marily motivated by ideological incentives, in the case of NGOs it is difficult to establish this claim given that there were clear material incen-tives for undertaking the work, at times even more rewarding than what the initiator could receive in the market place.

(b) *Origin of the organization*

An organization's origin is also indicative of motives of the leaders: the NGOs' origins indi-cated material incentives for the initiators, while the VOs' origins were embedded mainly in ideological incentives. Continuation of an al-ready existing donor project and the desire to implement a development idea were the two main reasons for the leaders to have started the NGOs. Six out of the 20 NGOs surveyed were established at the closure of a foreign development project: the foreign donor in charge of the project helped the local staff set

Table 4. *Measuring motivation*

Motivation	NGOs	VOs
Leader's salary	100% Drew salary and for 95% it was more than the government scale	100% Worked voluntarily; further, they also invested their own resources in the organization
Organization's origin	6 were continuation of donor projects	3 Initiated as a response to a particular incident
	2 were continuation of donor consultancies	
	6, including 2 largest women rights NGOs, resulted from exposure to western education	17 Initiated as a moral compulsion to address a public problem
	5 Response to local need	
Beneficiary population	Project was designed first, beneficiary population chosen later	Existence of a beneficiary population led to the birth of the organization
Material comfort	100% Located in posh areas	None located in posh area
	100% had modern buildings	25% had no office building
	100% Located away from the project site	65% had offices located at project site
	Majority had four-wheel drives	None maintained four-wheel drives

up a local NGO so that the local manpower trained during the course of the project, and the physical infrastructure developed, should not go to waste. Thus, those who had joined these aid projects as means to earn a living became leaders of the local NGOs that were established at the culmination of the donor project. These individuals were paid when they had first joined, and they were paid in the new setup. Two other NGOs surveyed had come about because their leaders had worked for a donor consultancy project and had realized the potential to expand that work by forming an NGO.

In addition to this, the other key explanation for the origin of some of the NGOs interviewed was the initiator's exposure to western liberal ideas. Two most influential women's rights NGOs surveyed were set up by initiators who had studied in western universities. On their return to Pakistan they had felt the need to challenge the existing gender roles in society. The same was true for four other large NGOs in the survey. The leaders had been exposed to development ideas through foreign education. Nonetheless, with the exception of one NGO, in all these cases from the very beginning, setting up an NGO also ensured the initiators a good income. Five of these from the very start drew upon international development aid, while the one that was set up prior to the availability of development aid moved toward it as soon as it became available. The existence of clear monetary incentives to undertake this work does not completely rule out the possibility of commitment to ideals on the part of these NGO initiators; it does however make it equally difficult to prove their commitment. It is, thus, difficult to test whether it was the possibility of getting funding for that particular project or a reaction to a local need that made these initiators start the NGO, especially given that they were all well versed with development discourse and knew which issues were on top of the donors' funding agendas. Initiators of five other NGOs surveyed claimed to have started the NGO in response to a local need. Interestingly, four out of five of these NGOs had started their work with local donations, but had later moved toward donor funding.

In the case of VOs, on the other hand, there were two main explanations for their origin: one, an individual or group response to a particular incident that moved them; two, the realization, within a group of individuals who were more influential within the given context, to address a public problem. Three VOs in the sur-

vey had originated when the initiators had been moved by a particular incident. For example, *Anjuman Faizul Islam,* one of the oldest VOs, was set up in response to a famine in Bengal that left many orphaned children. The other seventeen VOs originated because either one individual or a group of friends or acquaintances felt morally compelled to do something in response to a common need. For example, APWA, one of the oldest women's rights organization, which till the 1970s was very influential though it has now been sidelined by the development agencies and the NGOs because it constitutes women who are largely housewives rather than professionals, was set up by the wife of the first Prime Minister of Pakistan as a response to a perceived need to mobilize women to contribute to the development of the newly born country. It aimed to engage these women in professional roles while still encouraging them to maintain their primary roles as wives and mothers.

The initiators of these organizations had no links with international development aid. The organizations started because the founders decided to put in their own resources and seek the help of people around them to address the issues that they thought were important. Thus, whereas in the case of the NGOs the survey indicates a strong link between their initiation and the availability of international development aid, in the case of VOs the reason for initiation seems to be an urge to respond to a need that matched the initiators' value system. With the exception of one, all the NGOs started with the initiators being compensated at market rate for their work, while in the case of VOs, all initiators started by putting in their own resources voluntarily—they arguably might have sought some social rewards in terms of prestige or social status but there was no evidence of them drawing economic benefits.

(c) *Commitment to beneficiaries*

If commitment to certain ideals can be measured in terms of how consistently the leaders work with the same population of beneficiaries, VOs faired better. In case of all the VOs, it was the existence of a clear beneficiary population that motivated the leaders; on the other hand, in the case of NGOs no specific beneficiary population acted as a motive. For NGOs, organizational aims were determined by the development project they had received from a donor, and actual beneficiaries were then

sought to match the requirements of the project. Even organizations that worked in a particular region, for example Thar desert, focused on different locations and thus different beneficiaries within that region based on specific donor projects. As a consequence, the majority of NGOs surveyed had a continuously changing target population.

(d) *Material comfort*

The survey also shows that the initiators of NGOs enjoy much more material comfort for their work as compared to those of VOs: the difference between the two types of organizations was most marked in what was spent out of the organizational resources on making the working environment comfortable for the leaders: all but one NGO had their offices located in the more expensive area of the town and had modern buildings with latest facilities like air conditioning and computers. Furthermore, the actual project site was usually fairly much distant from these offices. All NGOs had many office vehicles; many had four wheel-drives parked outside the offices.

The VOs on the other hand had quite humble offices. Five had no office building and were being run out of the house or office of the leader. For example, CARE, a VO working on education, does not have an independent office space; its team operates out of a small portion of the commercial office of the initiator. Also, strikingly, thirteen of the VOs had offices located within the project site. In contrast to the NGO offices, these offices generally consisted of three to four rooms and were very basic. Only two of the VOs maintained separate offices away from the project site. However, even these were located in small flats in commercial areas of Karachi as opposed to the affluent localities that housed the NGOs. The bigger NGOs in main cities, in particular, had very lavish offices and expensive vehicles.

6. PERFORMANCE

The indicators developed to reflect organizational performance also revealed marked difference between the VOs and the NGOs (see Table 5).

Table 5. *Measuring performance*

Performance	NGOs	VOs
Empowerment *vs.* dependance	All claimed their work to be different than VOs; defined development as making people stand on their feet. All were well versed with development discourse	None of the VOs believed in handing out dole; even the smallest believed in making people stand on their feet. None spoke development discourse; they relied on religious or moral diction or Marxist vocabulary
Advocacy *vs.* service delivery	Advocacy based focused on workshops and seminars. Social mobilization was interpreted as self-help Service delivery NGOs were neutral toward state; focused on move toward the market	Advocacy based were very political and much more radical than NGOs. Mobilisation remains very political often driven by Marxist thinking Service delivery VOs were neutral toward state; focused on social responsibility among the well-off
Agenda setting *vs.* agenda following	Smaller NGOs are more vulnerable to donor pressure but bigger NGOs also are not fully independent	85% refuse aid on ideological grounds; 15% stays way due to complicated paper work 20% had started to accept donor aid and had also registered problems
Sustainability *vs.* fluctuations	Showed dramatic fluctuations in annual budgets in response to aid flows Activities kept changing in response to aid flows	Annual budgets were stable recording only gradual increase or decrease The focus of activities was stable
Elite domination *vs.* grassroots representation	Leaders came from middle and upper income groups	Leaders came from middle and upper income groups

(a) Empowerment vs. dependence

In policy debates on NGOs, VOs and NGOs are often assumed to work on different philosophies: NGOs are expected to undertake development projects leading to empowerment and self-reliance within communities; VOs on the other hand are assumed to be more concerned with addressing the immediate needs of the communities which often leads to dependence. The survey shows that in terms of using the language of participation NGOs are clearly ahead of VOs. The two types of organizations differed markedly in the use of development lingo. NGOs' leaders continuously used words like gender equity, empowerment, beneficiaries, and sustainability. It was a language perfectly in tune with the vocabulary of the international development agencies. The actual understanding of these development concepts was limited only to a handful of bigger NGOs, but the use of the jargon itself was widespread across the NGO spectrum. Among VOs, however, the language was very different. For the service delivery VOs, the language mainly drew from religious obligation and a sense of moral and social responsibility; for the advocacy-based VOs it drew from either religious or Marxist vocabulary. Thus, a VO and an NGO undertaking the same activity of running a school used very different language to explain their main objective. The respondents within the NGOs talked about education being a millennium development goal, the benefits of non-formal education, and their knowledge of other international experiences like BRAC. The respondents within the VOs, undertaking the same activity, however, talked about personal experiences which convinced them of the need to provide education facilities to poor children; they talked about their sense of social responsibility that motivated them to do this work; they talked about learning from localized experiences.

But, while the two used different language there was no evidence that the two necessarily deal with different types of activities. None of the VOs used the word ''empowerment'' but each one of them talked about helping their beneficiaries ''stand on their feet.'' Each one of them aimed at making the poor self-sufficient rather than making them dependent on charity. Even those VOs that had started on a very small scale just to provide immediate relief had eventually expanded their work to address the causes of poverty and deprivation. Service

and Development was a very good example of this. A VO started by two women with very humble ambitions to provide food rations to a few poor families soon expanded to providing education scholarships and imparting vocational training as they realized that distributing food rations alone would not enable the poor families that they serve get out of poverty. It is therefore difficult to argue that the NGOs work toward empowerment of their beneficiaries and VOs not. An NGO in Bahawalpur, which had moved from a small self-help organization to being largely donor dependent, expressed the same view: ''Eventually the work we do is exactly the same as we did before receipt of aid money. We ran a school then and we run a school now, but the language is very different.'' [9]

(b) Advocacy vs. service delivery

Advocacy work aimed at making the state accountable is viewed to be a major contribution of the NGOs; the VOs on the other hand are often viewed to be service delivery focused. The survey, however, shows that advocacy remains an equally important activity for VOs. Out of the NGOs surveyed, only four claimed to be primarily advocacy based but even they had some service delivery projects. The rest were mainly service delivery organizations, but at the same time also engaged in some advocacy work. Among the VOs the same held true. Five of the VOs were primarily advocacy oriented while the remaining primarily undertook service delivery with small advocacy component.

Further, the survey shows that VOs are more political in their advocacy claims than the NGOs. The most dominant work model among advocacy and service delivery NGOs was to set up self-help village organizations. ''Community mobilization'' to the NGOs surveyed was a very non-political term: the emphasis of this mobilization activity was on making the communities pool their own resources to provide a common good and then to establish good contacts with the government line departments. For advocacy-based VOs, on the other hand, ''community mobilization'' equated to ''political mobilization.'' For these organizations public rallies and demonstrations to demand for equitable distribution of economic growth within society through land reforms, water distribution, and reduction in defense spending were key concerns. These VOs were often more confrontational in their tactics than NGOs:

while NGOs mainly engaged in publication of brochures, dissemination of information about rights among the affected communities, and hosting of conferences and workshops in hotels; the VOs relied on heavy protests, walks, hunger strikes, sit-ins in front of the parliament, or demonstrations which at times led to imprisonment. Thus, the two types differed in the nature of the issues they took up for advocacy and also in the method.

(c) *Agenda setting vs. agenda following*

Whether an NGO is an agenda setter or an agenda follower for the donor is one of the critical measures of NGOs' performance. The survey findings are not surprising: due to dependence on donor agencies as opposed to a large constituency of local supporters, the NGOs have much less control over setting their agenda than the VOs. More interestingly, the survey reveals a stark difference within the NGOs too. An overwhelming majority of VOs did not want international development for this very reason: they argued that foreign aid comes with its own agenda; it leads to a psyche of dependency. In words of the leader of an advocacy-based VO, "An organization like ours is based on a constituency. We have to be responsive to them. By the same token the NGOs have to be responsive to their donors. These donors are their constituency."

The NGOs, on the other hand, had a very different approach toward international donors. The main justification for relying on international development aid as opposed to local fund raising was argued to be that money available through the former is larger. The bigger NGOs generally had no complaints with donors. They were very confident of their ability to resist donor pressure to promote an agenda that they do not support. They also had no fear of donor money running out. In fact they argued that they do not have to go to the donors to seek funds; the donors themselves come to them with project proposals. The smaller NGOs, especially in the remote areas, on the other hand, had many complaints about international donors and their relationships with NGOs in the bigger cities. Some blamed the NGOs for it, others the donors, while some blamed both. They argued that bigger NGOs invest in networking with donors and thus get all the big projects. "What do these Islamabad-based NGOs know about the problems in Southern Punjab?" complained the head of a

medium-level NGO in Multan, who was very critical of the donors' tendency to give the big projects for rural Punjab to these NGOs. [10]

The smaller NGOs were also very open in admitting that they are completely dictated by the donors. "If you go against the donor he will completely sideline you," said the initiator of one of the smaller NGOs in Bahawalpur. [11] In his experience each and every line of the contract was dictated from the head office of the international donor, while the NGO was simply asked to implement the project. "The NGO system is over, it is all contractorship now." he added. The NGO leaders did draw distinctions among bilateral and multilateral donors or INGOs in terms of the freedom they gave them to plan their work, but as the survey findings show there are no signs that different donors have different impact on an NGOs' ability to mobilize members and the motivation of the leaders.

The survey thus indicates a difference in the interaction of international donors with the well-established bigger NGOs and the relatively newer and smaller NGOs and CBOs, especially those located in remote areas. There is a good technical explanation for this. The staff in bigger NGOs is normally more educated and well versed with the development discourse and concepts, and, having been around for a long time, is more tactful in negotiations with donors. The past experience with the bigger organizations makes the donor trust them more than the smaller and newer NGOs, over whom the donor logically feels the need to have greater control. However, the analysis of the overall work trends of the NGOs shows that though bigger NGOs might be in a position to ward off direct pressure from the donors over specific projects, their overall work preferences are heavily shaped by the international donors.

The survey shows that all NGOs, including the bigger ones, had adapted their activities to donors' preferences. In the 1980s, donors' funding preferences in Pakistan revolved around women's rights; in the early nineties around micro-credit; from the mid-nineties onwards the donors focused on community empowerment and mobilization; and at the time of the fieldwork their focus was on governance and devolution. The annual reports and the brochures of the NGOs show that all have followed the same trends. This does seem to indicate that the overall agenda of NGOs is eventually controlled by the preference of the donors, and the liberty that even the bigger NGOs enjoy is limited to

rejecting or accepting a particular project, not the overall area of intervention. Many local staff members within the donor agencies admitted this influence. In the words of a local official at DFID: "These NGOs all act as contractors; there is no disputing that." [12] Similarly, one of the senior staff members of the Trust for Voluntary Organizations, a donor agency, admitted "Beggars cannot be choosers. The donors are like shop owners; they are selling certain ideas. If you are willing to work with those ideas, they will give you money otherwise you move on to the next shop." [13] He further added "There is no NGO here who will say no to a donor except a very few big ones. I have seen a lot of NGOs who stay alive by working on child labour one year, and moving on to another sector the next year."

The international donors' influence over the agendas of the NGOs can also be studied by observing NGOs' involvement in the governance debate in Pakistan at the time of the fieldwork. During fieldwork one issue that repeatedly came up in discussions with various groups was the complete absence of critique from the NGOs as far as General Musharraf's military government was concerned. Given that donors link NGOs with the promotion of democracy in developing countries, one would expect the NGOs in Pakistan to resist military rule. The NGOs, however, were completely silent on the issue. While "governance" and "public participation" were central to the work of all the NGOs, none of them, not even the most established advocacy NGOs surveyed, were participating in the democracy *vs.* military debate in the country. A senior director of one of the largest advocacy NGOs that at the time was also running many donor-funded projects on governance and decentralization, himself admitted "Our failure to take an active part and strong position on LFO (a collection of constitutional amendments that legitimized General Musharraf's rule) has been a weakness. It is an issue that the NGOs did not take any position on it." [14] He further added "There was no intellectual dilemma involved in opposing LFO. All I can think of is that the project workload creates lethargy toward pursuing some of these issues." This indicates that even for bigger NGOs, reliance on donor money leads to promoting project guidelines rather than what is actually thought to be important.

Due to General Musharraf's support of the "war on terror" since September 11, all major donors had been very supportive of his regime at the time of the fieldwork, which has translated into high aid flows to Pakistan. At the time of the fieldwork, "governance" more specifically "devolution" was the buzzword in international donor and government circles. Almost all donor aid to NGOs was coming through the devolution plan. To criticize General Musharraf's government or to have it removed threatened the millions of dollars coming in aid to NGOs through this devolution plan. For example, the USAID, which at the time of the fieldwork was disbursing some of the biggest projects to NGOs, had returned to Pakistan after having withdrawn in late 1980s as a sign of support to General Musharraf. The complete silence of NGOs against General Musharraf's regime and the absence of any support for the opposition parties is then not a surprise. It does quite strongly emphasize the donor's ability to influence the agenda of the NGOs irrespective of their scale. [15] This influx of aid to Pakistan in the post-2001 period also highlights the financial vulnerability of NGOs reliant on development aid as aid flows to Pakistan are very vulnerable to its geo-political positioning.

(d) *Sustainability vs. fluctuations*

The ability to sustain the activities of the organization beyond the donor funding cycle is a key concern within NGO literature. Annual budgets, which indicate the scale of activity of an organization, are a useful indicator of the stability of an organization. The survey shows that the annual budgets of NGOs fluctuate dramatically. At the time of the fieldwork, on the whole NGO budgets were larger than those of VOs. This seemed linked to the massive expansion of aid flows to Pakistan since September 11. Some NGOs have had budgets multiply more than 500 times over a period of 2 years. The availability of large projects through new donors, like USAID, had dramatically enhanced the budgets of three major NGOs interviewed. One had received Rs. 29,250,000/= that is, £292,500/=, a considerable amount for an organization with a previous budget of little over a million rupees. Another organization's budget expanded from Rs. 11 million in 2002 to Rs. 30 million in 2003 and then to Rs. 40 million in 2004. As acknowledged by the head of one of the NGOs that had recently received one such project, this raises questions around the capacity to absorb and disburse that money efficiently. For the VOs on the

other hand the financial expansion was more gradual, but at the same time more stable. No VO recorded such dramatic expansion or reduction in its budget.

The survey also noticed clear difference in the continuity of work within the NGOs and the VOs. The NGOs were very clear that they would carry on the project only as long as there is development aid to support it. In the words of one of the NGO representatives: "We will do the work till we are being paid for it. We cannot do it once the funding runs out." [16] For the VOs on the other hand there was no concept of the work coming to an end; there was no talk of running a project. This is visible in the approach of CARE, a VO in Lahore that has taken over responsibility for improving quality of education in ten municipal government schools near Lahore. The Chief Executive of CARE argued "When taking over schools from the state we ensured that we get them for at least 10 years, as entering into three-year contracts is the approach of the international donors, not ours. We believe in staying involved till the target is achieved." [17]

(e) Elite domination vs. grassroots representation

The survey also records no difference in the economic and social background of the initiators in the two types of organizations. The leaders in both the categories came mainly from upper- or middle-income groups. The majority of them were well educated; in case of NGOs the majority had foreign degrees in development-related subjects. Thus, the assumption that giving aid to NGOs will enable members from lower-income groups to initiate NGOs does not hold. In the words of the head of a small NGO in Bahawalpur: "The NGO work is for educated people; it is not for the common man. A common man cannot write proposals, use e-mail, and the fax machine." [18]

7. CONCLUSION

The survey findings thus show that development aid has resulted in establishing a distinct category of voluntary organizations in Pakistan whereby the NGOs and the VOs differ markedly in their ability to mobilize members. The survey findings support existing concerns within the NGO literature that development aid being channeled through NGOs with the aim of generating social capital is in reality resulting

in an inability to mobilize and sustain members. The survey demonstrates a threefold correlation: one, between aid and inability to mobilize members; two, between aid and material aspirations among the leaders of NGOs; and, three, between aid and lower organizational performance.

The question then is that could there be a possible causal link between these correlations. The survey is unable to establish such a causal relationship but the interviews, combined with survey of public perceptions of NGOs in Pakistan (Bano, 2005), do suggest a causal relationship where development aid leads to material motivation, which is turn leads to lower performance, and this in turn results in an inability to mobilize members.

There is need to rule out possibility of such a causal relationship through further research, because if true it has serious implications not only for the role of NGOs in shaping of the third sector in Pakistan but also the current policy of channeling aid through NGOs as a means to empower the public vis-à-vis the state. The absence of a constituency of supporters puts the NGOs' claims of being public representatives into question. This in turn raises doubts about the legitimacy of donors as external agencies to support a particular cause through these NGOs, which have no members. This lack of local support base in terms of volunteers and local donors makes NGOs' bargaining power vis-à-vis the state very weak. When NGOs have no joiners then there are questions around the claims they are making: on whose behalf, and toward what end? During the fieldwork, in many national workshops and conferences the government ministers chairing the sessions refused to take the NGOs' complaints seriously arguing that they are exaggerating the problems just to gain donor aid (Bano, 2005). The paper thus shows that Carroll's (1992) distinction between an internal dimension of group capacity building in which groups learn how to manage resources collectively and an external dimension in which groups learn how to make claims on power holders does not hold. Members are important not just for donations but also to give legitimacy to the NGOs' claim functions. The move toward professionalization and commercialization of NGOs is coming at a heavy price.

The findings also bear significance for further research on social capital. The possibility that an individual's decision to become a member

of an organization could be shaped by the calculation about the commitment of the leader of the organization and actual signs of performance suggests that while Putnam's (1993) emphasis on social context and history as basis of generation of social capital is valid, we need a more refined theory of the individual behavior at the micro-level to understand the factors that generate that "connectivity" and "electricity" that experts within the World Bank associate with the notion of social capital and by default to NGOs. In fact, Putnam *et al.* (1993, p. 171) draws upon Partha Dasgupta (1988) to note "the trust that is required to sustain cooperation is not blind. Trust entails a prediction about the behavior of an independent actor. You trust a person on not what they say but on knowing what you know of his disposition, his available options and their consequences, his ability and so forth you expect that he will choose to do it." What the development theorists and planners need to identify are the factors and processes through which potential members within the public assess the disposition of the leaders of NGOs, and why aid seems to be leading to those dispositions within the leaders that put the members off.

NOTES

1. Hon. Jean Augustine, MP, speaking to the Annual General Meeting of Partnership Africa–Canada, 29 September 1994, Hull Quebec.

2. Out of many terms used to refer to public spirited organizations—NGOs, voluntary Organizations (VOs), third Sector Organizations, non-Profit Organizations (NPOs), civil Society Organizations (CSOs)—the term NGO is closely associated with development aid. The literature arguing for engagement with organizations beyond the aid chain has therefore relied on terms like "associational activity," "voluntary organizations," "non-profit organizations," etc. Since the paper tests this distinction, it adopts the same language. Further, the survey results themselves necessitated this distinction as all the 20 organizations, which did not take development aid, sought not to be referred to as "NGOs" (Bano, 2005).

3. Interview, Lahore, February 11, 2004.

4. Interview, Islamabad, October 29, 03.

5. Interview, Lahore, February 9, 2004.

6. Interview, Multan, February 2, 2004.

7. The Aga Khan Foundation (AKF) in the Northern Areas of Pakistan was the only exception. In this study, however, AKF is not viewed as an NGO as it is faith-based and has an international presence.

8. Interview, Lahore, February 9, 2004.

9. Interview, Bahawalpur, February 13, 2004.

10. Interview, Multan, February 14, 2004.

11. Interview, Bahawalpur, February 13, 2004.

12. Discussion, Islamabad, October 5, 2004.

13. Interview, Quetta, October 24, 2003.

14. Interview, Islamabad, March 19, 2004.

15. The International Crisis Group (2004) documents this issue in detail. Finding the donor funded devolution plan further strengthening the military's hold, the report documents NGOs' complacency in criticizing this development and their willingness to actually become an integral part of this devolution plan due to the aid funds it made available to them.

16. Interview, Peshawar, March 23, 2004.

17. Interview, Lahore, February 9, 2004.

18. Interview, Bahawalpur, February 13, 2004.

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