Chapter 1

Introduction

There is a growing body of literature arguing that non-governmental organizations (NGOs) are an important tool in the efforts of civil society to influence the State, primarily toward a more equitable distribution and allocation of economic resources (Landim 1987, Loveman 1981). Indeed, for the last three decades, NGOs have experienced impressive growth on the international scene in both numbers and renown (Sinnar 1996). Some estimates indicate that there are 3,000 Northern NGOs active in developing countries, and that their work is being complemented by between 30,000 and 50,000 local NGOs (Charlton and May 1995). In Latin America and the Caribbean more than 6,000 NGOs have been created since the mid-1970s. Estimates from the United Nations indicate that funding from Northern NGOs to developing countries grew from US$ 1.0 billion in 1970 to US$ 7.2 billion in 1990 (MacDonald 1995).

Among official donors, NGOs are also increasingly identified as essential institutions for the construction of strong civil societies, especially in developing countries. NGOs are credited for enhancing the access of disparate segments of the citizenry to the governance and development
processes (Clark 1991). Tendler (1982) notes that the public take as articles of faith assertions that NGOs:

1) reach the poor; 2) promote local participation in the development process; 3) define development in terms of a process centered on the poor, and 4) are better equipped to work with and strengthen local organizations. However, despite the popularity of NGOs in development theory and widespread popular perception of their democratic efficacy and representative character, there is little empirical evidence that they actually contribute to improve internal democracy and social accountability of regional development programs, or enhance popular participation in such processes.

This study examines the participation of NGOs in the Rondônia Natural Resource Management Project; a World Bank sponsored regional development program in the Brazilian Amazon. The Rondônia Natural Resource Management Program (PLANAFLORO) was designed to improve the management of resources and improve the living conditions of the population in the state of Rondônia which is located in the western Brazilian Amazon (Figure 1.1). PLANAFLORO succeeded the Northwest Brazil Integrated Development Program (POLONOROESTE), another World Bank sponsored regional economic development program, which had been widely
criticized for increased deforestation in Rondônia, especially during the 1980s. The integration of NGOs in the PLANAFLORO’s governing organs has been cited as testimony to the World Bank’s concern for environmental protection and participation of intended beneficiaries in the decision-making process of its programs.

Figure 1.1 Location of Rondônia in Brazil (Source: SEDAM 1996)
This study focuses on four issues that are commonly used to justify the inclusion of NGOs in the development process: representativeness, accountability, autonomy and effectiveness. The key research questions of this study were:

- How reliably do NGOs represent the political and economic interests of their named constituencies in the economic development programs?
- To what degree is the autonomy of local NGOs compromised by their interaction with State and financial institutions, and transnational NGOs in the regional development process?
- Are NGOs actually effective in influencing development processes in which they participate?

This study relied on three basic methods of data gathering: focused interviews of key informants, questionnaire-based surveys of different stake-holder groups in the PLANAFLORO development process, and information from secondary sources. Interviews of key informants interviewed included representatives of NGOs, State and World Bank officials, and members of small farmers grassroots organizations, rubber tappers and Indian communities. Questionnaires were used to gather information from transnational NGOs and small farmers. Documents from secondary sources included material produced by State agencies, the World Bank, and by local NGOs. Data from key informant interviews was analyzed through the technique of
pattern-matching, and content analysis was employed to examine sources.

This study’s results challenge the common wisdom regarding the positive impacts of NGO participation in economic development programs, and on their contribution to democratic governance. NGOs participating in PLANAFLORO faced great institutional and political difficulties in the process of participation. Many NGOs did not have either the institutional capabilities or the financial autonomy to effectively influence the process of policy-making in PLANAFLORO. Moreover, most NGOs did not have mechanisms of accountability to inform the program’s intended beneficiaries of the state of PLANAFLORO’s implementation. As a result, there was very little knowledge at the grassroots on the implementation of the program.

**Overview of the Study**

Chapter 2 reviews some of the most important theoretical constructs on the relationship of civil society and the State. This discussion sets the stage for understanding the rapid emergence of NGOs world-wide in recent decades. Chapter 2 also examines several analytical difficulties surrounding common contemporary uses of the term “civil society,” definitions of the organizations that
constitute civil society, explanations of their specific roles in influencing governmental decision-makers and economic development processes. Chapter 3 presents working definitions of the concepts of representativeness, accountability, autonomy, and effectiveness used throughout the study. The chapter also describes in detail the different methods of data gathering and procedures utilized to analyzed the information obtained.

Chapter 4 reviews recent efforts undertaken by the Brazilian government to occupy the Amazon Basin, especially in the state of Rondônia, specifically through the implementation of regional development economic programs partially funded by the World Bank. The chapter concludes with review of the history of the process of NGO participation in PLANAFLORO. Chapter 5 examines some of the most important aspects of the three initial years of the implementation of PLANAFLORO (1992-1995), and compares the program’s preliminary results to the major goals established for the initiative during its design.

Chapter 6 establishes the organizational and political profiles of NGOs participating in PLANAFLORO, dividing them into two major categories for case and descriptive analysis: membership support organizations (MSO) and grassroot support organizations (GSO). The profile includes information on the
history of each NGO, their organizational structure, and principal sources of funding. The chapter provides analysis on the existing mechanisms of accountability and limitations on NGO organizational autonomy, mainly because of their dependency on external sources of funding.

The next two chapters address the impacts of NGO participation in PLANAFLORO. Chapter 7 examines the dynamics of NGO participation in PLANAFLORO. The chapter establishes NGO leaders' views on issues of representativeness, effectiveness, and accountability. The chapter concludes by examining the outcomes of NGO participation in PLANAFLORO’s governing organs. Chapter 8 presents the views of the Rondônia regional government and the World Bank concerning the governing organs of PLANAFLORO, specifically regarding the issues of representativeness and participatory effectiveness. The chapter also addresses the role played by transnational NGOs in shaping the activities of local NGOs, specifically in the process of policy reform for PLANAFLORO. The chapter concludes with a discussion of the issues of political representation and accountability using data gathered from rubber tappers, Amerindians, and small farmers.

The concluding chapter contains a discussion of the limitations of NGO participation in PLANAFLORO, especially
in terms of achieving effective policy-reform and increased popular participation in the program’s implementation. The chapter argues for changes in the process of NGO participation, giving emphasis both to capacity building of State agencies and civil society organizations as a means to improve both the effectiveness and representativeness of economic development programs.