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Study of NGOs in Development: A Comparative Analysis of CUSO and Development & Peace.

by

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UNIVERSITY OF OTTAWA

A thesis
presented to the University of Ottawa
in fulfillment of the
thesis requirement for the degree of
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in

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Léo Dèrome, Ottawa, Canada, 1990
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Chapter I

INTRODUCTION

We are going to have to change our perception of the Third World. Our future will depend on it. Until now, we in the west have felt a moral obligation to the have-nots on this globe. But now with atmospheric change, destruction of the rain forest... Their destiny is now inextricably linked to ours. It is no longer morality we're talking about. It's survival. We're all in this together.

Suzuki, David.

It's a Matter of Survival

C.B.C. Radio, Program 3.

David Suzuki makes an environmental link between the First and Third World in terms of our mutual dependency on our planet's resources which have become dangerously polluted. He claims that we can no longer distance our need for a clean environment from that of the Third World's environmental needs. The destruction of the rain forest has a global impact of reducing the oxygen levels for the whole planet. The disparity in wealth has contributed to this degradation of the planet by forcing countries to destroy their rain forest to create pasture land for cattle which is sold for hamburger meat in America. The First World is part of the Third World in that we share the same ecology. Our fates are interdependent.

The environmental link between the ecological destruction of our planet and the disparity of wealth is linked to the question of development. The development of the North was predicated on the exploitation of the peoples, resources and markets of the
South. Now they (the South) are trying to develop but they have no Third World of their own to exploit. The capitalistic need for growth has lead to the creation of a First and Third World duality. This has resulted in the absolute level of wealth increasing in the First World at the expense of the Third World. This disparity has not been reduced but has increased since the end of the colonial era and the independence of many former colonies.

This increasing disparity is the consequence of many factors but one of the possible responses it has prompted from the First World is the donation of aid. In examining the doners of aid to the Third World two specific groups of donors can be delineated. The largest and most influential group are governments of industrialized countries and world financial/political institutions. The second group of aid providers are the Non Governmental Organizations (NGOs). It has been suggested that NGOs are more efficacious in providing development aid to the Third World nations. It has been speculated that because of their small size they have the ability to respond quickly to crises.\(^1\)

The objective of this thesis is to examine whether or not development oriented NGOs are effective agents in the foreign aid equation. In comprehending development, one should understand it as a holistic approach which encompasses not only an economic variable but also a social cultural and communal undertaking. This vision promotes the interest of the community while understanding the interrelationship between the economic, political, social and cultural values of an indigenous people. One means of testing effectiveness is by examining what government aid currently accomplishes in comparison with what NGOs are accomplishing.

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There is a socio-historical context to all events. The problems that developing nations now face did not spring up over night. Many of the difficulties that poorer nations face have their genesis with the arrival of 'white' explorers and missionaries.

Non Governmental Organizations also exist within specific time lines. An examination of why and how such organizations exist is vital in preparing to examine specific examples. In following the history of NGOs this paper will outline the very different paths taken by NGOs in Canada.

NGOs in Canada have mirrored the nation in that the two linguistic groups each has native agencies which reflect the specific national characteristics of our country. To illustrate this national character the Canadian Catholic Organization of Development and Peace (D & P) will be representative of both French and English Canada since its operation exist across all ten provinces and within the two territories. The other NGO that will be analyzed is CUSO which currently only exists in English Canada. In undertaking the examination of these two NGOs one could highlight the distinctive character of Canadian NGOs.

The evaluation of these two NGOs will emphasize the similarities by juxtaposing differences that may exist between them. This will entail an examination of each variable separately in the context of helping the Third World.

The method that will be used in the research part of the study is the examination of most of the literature that currently exist on the subject of NGOs with a specific focus on the D & P and CUSO. Another method used to obtain information is the interviewing of key individuals involved in each NGO. This method necessitates an exchange of information with the current and former members of the organizations. Based on these two methods it is hoped to be able to determine what is practised in
contrast with what is being presented for general consumption. The purpose of this thesis is to accomplish this goal.

1.1 PRESENTATION

In the first chapter the subject of aid will be introduced. This introduction will begin with a macro perspective of aid and its impact on the Third World. It entails an historical outline of the creation of the Third World, and provide an overview of the subject of aid and its subsequent outcome. One will also come to understand the role played by the World Bank and the International Monetary Fund in maintaining global stability. Subsequently this chapter will try to reveal the true intention of aid as well as its effect and the price paid by the Third World.

The second chapter will define an NGO according to the United Nations, the United States and Canada. It will also deal with the raison d'être of NGOs. This will become clearer when examining the historical evolution of the NGO phenomena. An historical analysis cannot omit the Canadian experience; that is, the existence of two distinct societies, and consequently two distinct histories of Canadian NGOs.

The third chapter will deal more specifically with two NGOs: D & P and CUSO. An analysis of the literature from both of these organizations will be presented in order to uncover the ideology that each presents to the public. This analysis will entail an interpretation of the mission statement, the operating principles and the development charter of the respective agencies. The information will not be identical for both NGOs since they have chosen different paths to foster development. There should, however, be some similarities between the two organizations in terms of ideologies that promote 'development'. To highlight the characteristics of these agencies one must also examine the history, the funding policy, the project evaluation, the decision mak-
ing, and the role that volunteers play within the organization. The function of this chapter is to determine the external ideology of D & P and CUSO organizations. This ideology is often not openly stated but it is implied by the actions of the organization. The results of this chapter should produce two patterns reflecting the distinct ideologies of both organizations.

The fourth chapter will analyze the key findings from chapter three with reference to the impact on the Third World. This critical evaluation should highlight any discrepancies that may exist between the ideologies of D & P and CUSO that are practised and those that are presented to the public. This analysis will also extend to an examination of the positive and negative impact of these NGOs on the Third World.

In the final chapter the issue of aid will be summarized in relation to the global financial institutions and the governments of the First World. It will also summarize the main features of NGOs and discuss any inconsistencies in their objectives. CUSO and D & P will be analyzed from a socio-historical perspective. It is possible that while the organizations are consistent in ideology and in practise, their definition of the 'development' has not yet helped the Third World. If, however, there exists a discrepancy between the intent and practise then NGOs might not be the white knight of development as they have been promoted. In conclusion some constructive criticism will be given about the subject of aid, NGOs and development.
Chapter II

INTERNATIONAL AID

There is plenty of room for everyone in the world, enough money, riches, and beauty for all to share! God has made enough for everyone! Let us begin then by sharing it fairly.

Anne Frank

Diary of Anne Frank

Garden City, N.Y.

Doubleday 1967.

The sharing of the wealth and riches of the world has not materialized. The European war of 1914-1918 was called "The War to End All Wars". Since the publication of Anne Frank's diary after the Second World War, the disparity between rich and poor nations has never been greater. Most Third World Countries are rich in resources, labour and skills, the people are poor. How can we account for this injustice of uneven distribution of wealth and power? This skewed distribution of wealth has lead several of the 'better off' countries to engage in a 'redistribution' of their wealth to the less developed countries. This assistance is provided via military, economic and technical aid. A better comprehension as to why the flow of aid occurs from wealthy countries to poor countries is essential in understanding why development has not occurred.

Aid that is provided for development in the Third World can be found to exist in various forms. The type of aid that is most visible to and recognized by the public is
aid which is provided from one government to another, i.e. bilateral. In Canada the government aid agency that provides this service is the Canadian International Development Agency (CIDA). Canada provides aid to the Third World for altruistic reasons, as well as to increase trade, to get rid of surplus, and to find new markets for its technology, e.g. Candu reactors. The reason that aid exists and continues to be given to many 'less developed countries' is often rooted in the colonial past of those countries. The purpose of this chapter is to obtain a better understanding of why aid is being given and why it will always exist.

To undertake such an analysis requires an historical overview of how colonialism emerged on the world scene and how colonies have subsequently become dependant nations. Although the colonial era was not a wonderful experience for the colonies, it did create a global trading pattern that has survived until this day. It is this fact that will be illustrated in this chapter. The colonies which sought independence dreamed of one day becoming free of the colonial ties. This independence, however, was regulated by European powers to ensure that the existing trading routes remained the same. As a further assurance that the existing status quo would not be altered world bodies, such as the World Bank and the International Monetary Fund were created. These institutions in collaboration with government aid programs have conspired to perpetuate the existing trade patterns that were established during colonial rule.

2.1 COLONIALISM

The advent of colonialism did not occur simultaneously across the globe. The establishment of colonies was to some extent a result of improvement in navigation as a result of the more accurate measurement of time, and above all by the discovery of the polarity of the magnet. This made 'deep sea' navigation possible and the quest for
the Indian Spice Islands a possible sea going adventure. In the fifteenth century, the quest to reach the spice trade by travelling west by ship instead of east by caravan resulted in the discovery of the New World. Most European discoveries were motivated by the promise of wealth and fame. The discovery of the New World, Asia and the South Pacific had an enormous impact on European perception of the world. The discovery of the New World combined with a subsequent shortage of labour made slavery an attractive prospect.

Briefly at the end of the fifteenth century, they had discovered the Americas, there was abundant farming land and mineral wealth. They experimented with different forms of labour, including Indian labour and white indentured servants, and finally concluded that the labour of enslaved Africans was the most economically profitable.

The improvements in navigation and the creation of colonies resulted in a Eurocentric view of the world in which a lack in technology advancement was perceived as proof of white superiority. The Europeans also conceived it to be a blessing for African slaves to be provided with masters and regular work. They consoled themselves with the idea that "Negroes (had) duller nerves and (were) less susceptible to pain than Europeans." Furthermore, indigenous peoples were coerced into participating as disadvantaged parties in the European economic system. It was considered un-Christian to deny trade with Europeans.

With the decline of the slave trade in the 1850's Europeans began a new era of military conquest and redistribution of territories. This period began after the Berlin Conference of 1884-5 when Africa was divided into colonies of European nations. Colonies were created for nationalistic, economic and strategic reasons. The establish-

ment of colonial governments and the grid system of economic and social control was realized through a system whereby military conquest was followed by the implementation of a military administration and then replaced by a civilian administration. The reason for colonial rule was summed up by a French colonial administrator in 1921:

It is not altruism that leads us to Africa, at least not as a nation... At times we wished to ensure outlets for our trade, and sources of raw material for our industry, at others we felt the need to protect the security of our nation or the need not to be outdone by foreign rivals; sometimes we were moved by the obscure and unconscious desire to procure a little glory or grandeur for our country, at others we simply followed hazardous caprice or the tracks of an explorer, believing that we could do nothing different. In no case do I find as the motive force of our colonial expansion in Africa the real and reasoned wish to contribute to the welfare of our subdued peoples.

The pattern of alliance along with indirect rule became the most efficient way of administering the colonies. The effect of this policy was to exclude regional interest and to create a social infrastructure that serviced external demand. The outcome of this external domination was the subjugation of the economic, political, ideological and cultural interest of the indigenous people. Whole economics were molded towards sustaining a system of external demand, to the neglect of the local needs. To extract the maximum return, colonial administrators found it easier to use the existing structure of power for their own ends. Thus, puppet regimes were supported as long as they served the interest of the colonial administrators.

The infrastructure that was established fostered external trade with the colonial power. The political and ideological foundation of society became reflections of the economic structure.

5. First, R. p. 34.
6. First, R. p. 175.
7. Hayter, T. p. 34.
The indigenous culture was also subjected to the same external mechanism of foreign domination. It was under these conditions that the wealth of the colonies became European wealth. It was also under similar conditions that most colonies sought their independence.

2.2 INDEPENDENCE

After the Second World War a great many colonies obtained their independence. This new order came about for reasons and under conditions that were beneficial to the colonizing countries. The colonies had become an administrative drain on the treasury of the empire. The cost of keeping India under British rule was too great and made it no longer feasible. Thus, India was the first of many colonies to obtain its independence. The second element that made it possible for many colonies to gain independence was the outcome of the Second World War. The defeat of Italy and Germany resulted in their colonies achieving sovereignty. Another important outcome of the Second World War was the transfer of debts of England, and France to the United States which accelerated the process of dismantling empires. This transfer of debt from Europe to the United States occurred because both France and England borrowed heavily from the Americans to finance their war against Germany. This resulted in the Americans pressuring Europe to dismantle colonial empires. Pressure to dismantle the colonies also came from within the colonies as separatist movements struggled for independence. The lack of economic resources to keep empires from breaking up forced

8. Hayter, T. p. 36.
10. First, R. p. 49.
the issue of creating new independent nations from former colonies, e.g. India 1948.

What does a nation acquire when it claims independence? Does the nation have manifest destiny? Does it have absolute control over its economy? Can it decide what political and constitutional form it will take? The degree to which any nation is considered independent often depends on how independence is acquired. Independence can come about through a violent struggle for self determination and break from the old order, as in the case of Algeria in which the war lasted 10 years and took the lives of some 250,000 Algerians and a further 500,000 were wounded. Independence can on the other hand, take the route of a constitutional change of power, such as in the cases of Kenya or Canada. The degree of independence often depends on the manner by which it has been achieved. For many countries in Africa, Asia and the New World independence became merely a ceremonial occasion, little more than changing of flags. This was made possible by legitimizing the elite class that supported the existing social structure and silencing opponents. The countries stated for independence were coerced into embracing the economic and political status-quo as determined by the old colonial masters.

The new elite and colonial oligarchy had a common interest in facilitating constitutional change: the elite required such change to advance their own socio political standing and the colonial masters obtained greater efficiency through the advancement of the new elite.

Therefore, both parties in power had their best interest fulfilled by independence. The new elite that was created by the colonial administrators could move up the social ladder with independence and the colonial masters could reduce their administrative burden while continuing to reap the economic benefits of colonial structure.

13. First, R. p. 50.
The president of Gabon, M'Ba is reputed to have said "Gabon is independent", but "between Gabon and France nothing has changed; everything goes on as before." This statement reveals the reality of many of the new independent states. Although countries have acquired 'independence' the comprador bourgeoisie obtained political power and have, over time, integrated their foreign interests with the national interest. Thus social economic control has remained outside the country. The agenda set by the colonial administration has remained intact and still serves the interest of foreign countries.

When colonial power, on the other hand, for reasons of its own occasionally suggested a variation of its own governmental forms, African politicians protested that they wanted the model intact. So London or Paris or Brussels models were prepared for export; and universities, law courts, local government and the civil service were cut according the master pattern. The elites of the British territories hankered after the so-called Westminster model. The French political leaders copied the autocratic presidential powers that de Gaulle had assumed.

The statutes were not transferred literally but modifications were made to ensure that the parties in power would have an edge.

In reality, though, the constitution drafters did not stick precisely to the Westminster 'model', but wrote clauses into its export variety which were in sharp conflict with the British system. The essence of the British system is that there is absolutely no limit on the sovereignty of Parliament. The export models incorporated all sorts of checks and balances for parliamentary power. They made laws subject to judicial review. Bills of Rights were prepared, ostensibly to protect minorities but in fact to hand them extra-parliamentary levers.

The end result of the independence movement was an assurance that power would remain within the hands of a chosen few loyal indigenous people to ensure the interest of the previous regime.

14. First, R. p. 50.
15. First, R. p. 51.
17. First, R. p. 52.
land and economic policy were not scrutinized; social policies and administration were inherited from colonial days, and for the most part, kept intact.¹⁸

The continuation of a colonial policy without any radical change ensured a constant drain of economic and social resources. For many countries, the colonial legacy had continued unaltered in its fundamental objective. That objective has been the exploitation of these countries' resources for the benefit of the industrialized countries. What was obtained by independence varies according to the severity of the separation. The Cuban and Nicaraguan revolutions made drastic alterations to their historical ties with the United States. However, independence for many colonies was a staged event with the colonizing country moderating the transfer of power. This made the new nation a legal entity, yet the conditions remained those of its colonial past. Many new nations were conceived in this fashion and many have remained economic satellites of the developed world.

2.3 "COLD WAR"

After the Second World War the structure of world power changed. The United States emerged as the biggest winner of the war replacing European imperialism with paternalistic economic ties.¹⁹ This implied a growth and proliferation of enterprises that were American owned and controlled. Thus a shift in world power was being orchestrated for the benefit of the United States. The colonies had become a financial burden to administer and the United States wanted access to these colonies for its multinational firms. A transfer of external control was accomplished through the granting of independence. The other big factor which motivated such a transfer was the fear of a spread of communist ideas from the U.S.S.R.

¹⁸. First, R. p. 52.
¹⁹. First, R. p. 49.
The advent of the 'cold war' determined U.S. foreign policy after the Second World War. As a reaction to the Russian phobia, America decided that all countries had to be aligned either for or against each super-power. The concept of non-alignment endorsed by India and other countries was disregarded. The 'cold war' atmosphere made it impossible for the U.S.A. to accept even moderately socialist governments. If any country was not 100% for capitalism, as defined by the Americans, then it was labeled as a communist country. Many newly formed governments took up the mantle of free enterprise without having any other alternative possible.20 Those indigenous groups which sought a socialist transformation as an option were silenced by the colonial powers before the colonies became independent.21 For example, during the Kenyan struggle for independence the Mau Mau in Kenya stimulated a movement toward socialism that was silenced by the British through measures that included imprisonment.22

Another similar movement was the "Quit India" campaign in which vocal supporters were imprisoned several times for advocating peaceful non-cooperation against the British. Independence was granted to many colonies once stability had been achieved without the true advocates of independence having any significant input into the process. India may have been the only exception to this rule where a country has obtained independence with the consent of the majority of the population.

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21. First, R. p. 50.
2.4 GLOBAL STABILITY or STATUS QUO

In 1944 world financial and political institutions were created to ensure global stability. This stability was to be fostered through the United Nations and the World Bank. The first objective of the financial/political institution was the reconstruction of Europe as an economic, political and military power. This plan also coincided with the Marshall plan to keep the communists in check. Assistance provided to war torn Europe by the World Bank amounted to $0.7 billion in loans in between 1946-52. This amounted to half the World Bank’s loans during that period. To ensure that Europe was firmly established as a world power, the World Bank, between 1952 and 1968, provided an additional $9.8 billion worth of export credit from the industrial center (Europe and the U.S.A.) to the Third World. This export credit tied Third World aid to European and American markets. This aid enabled Europe to regain its pre-war position and the United States to solidify its global industrial domination. Another outcome of the Marshall Plan was the integration of Third World economies as satellites of the First World. The $9.8 billion in export credit by the World Bank was well within its mandate. The Bank’s Article of Agreement states:

The purpose of the bank is to assist post-war reconstruction; to promote private foreign investment and if necessary supplement it from its own resources; to promote trade balance of payments equilibrium by encouraging international investment; to ensure that priority projects are dealt with first; and to conduct its operations with due regard to the effect of international investment on business conditions in its members territories.

According to the House Committee on Appropriations 1981, the report reveals the Bank’s advice has generally been along Neo-Classical economic lines. The report emphasizes international trading systems, realistic exchange rates and the use of world trade balances. The report is a detailed account of the Bank’s role in shaping economic policies around the world.

market prices to reflect the real opportunity cost.25

It is claimed that the Bank's Article of Agreement is free of bias in its current constitutional form. Expressions, such as promotion of trade, balance of payments, open markets and floating exchange rates, are all considered accepted truisms in the business community. No person living in a capitalist economy can deny that great benefits can be obtained from such a system either this economic theory can be applied and practiced, or this economic theory is futile, as proven by Third World reality.

The economic theory used as a framework for the International Monetary Fund and the World Bank is essentially Keynesian. The theory that is practised by the IMF and the World Bank has a monetarist inclination. In fact, the demand side of the equation was, to a great extent, neglected. Keynesian theory advocates that government should play an active role to increase demand when the business cycle is at its lowest, thus creating demand. Monetarism neglects this element and concentrates on the supply of money and interest rates as the relevant and determining factor in managing the economy.

The World Bank, the most powerful single lending institution, has the objective of long term economic stability in the world.26 The IMF has as the objective of short term stability. The prerequisite for membership with the World Bank is membership with the IMF. The IMF is a part of the United Nations in which every country is a member, with the exception of Switzerland which chooses to remain neutral. The IMF's short term policy of stability does not contradict the World Bank's long term stability objective since short term stability is a prerequisite for long term stability.

To understand how the World Bank and the IMF have become advocates of the status-quo, one must first look at the structure of these organizations. The United Nations was created using democratic principles. Its major function has been the stability of all nations. The concept of equality is applied at the general assembly with every nation being assigned one vote. However, some nations are more equal than others, given that they have the right to veto certain policies. Furthermore some institutions within the UN are not managed in a democratic fashion, such as the Food and Agriculture Organization (F.A.O.), Inter-American Development Bank (I.D.B.), and the International Monetary Fund (IMF).

In 1944 when the IMF and the World Bank were established, the Soviet Union chose not to participate in them. Most Eastern European nations withdrew from the IMF and the World Bank, although some subsequently rejoined.\(^{27}\) This had the effect of entrenching the control of the 'world organizations' within the industrialized nations of the West. To solidify control of these world organizations within Western industrialized countries, five of the executive directors were appointed by the United States, Britain, France, West Germany and Saudi Arabia; the rest were elected by the remaining members.\(^{28}\) The voting rights of each country are based on the quotas of allocation to the monetary fund. Those countries who give the most money have the most weight attached to their votes. In 1983, the U.S.A. provided 21% of funds. Thus it had the greatest voting weight. The remaining allocation for all industrialized countries was 63%. Therefore, the Third World which makes up the numerical majority has little influence in deciding where aid and loans are allocated.\(^{29}\) The IMF, on the other hand, was set up to lend to the Third World, but by the 1970's it became clear that over half of the drawings from the fund were made by industrialized countries including

\(^{27}\) Hayter, T. & C. Watson, p. 37.
\(^{28}\) Hayter, T. & C. Watson, p. 38.
Britain and Italy.30

World Bank voting is based on quotas of contribution. Based on this method of decision making, the U.S.A. had 13% of the vote in 1983. In total, industrialized countries held 59% of the vote. The Organization of Petroleum Exporting Countries (O.P.E.C.) controlled 11% of the vote, with the Third World taking the remaining 30%. Thus, the power to decide aid allocation remains outside the reach of the Third World.31

2.5 OBJECTIVES OF THE WORLD BANK AND THE IMF

The relationship that exists between the IMF and the World Bank is a cozy one. Initially, both institutions shared the same building in Washington. Currently they continue to share information and co-operate closely with each other particularly at the top of their organizations. In terms of ideology they are both committed to the usual orthodox neo-classical desiderata: reliance on open market mechanisms, price mechanisms, and especially trade liberalization.32 The only point of contention that might arise between the two organizations is the relationship between short term stabilization and long term growth. This potential difference has been resolved by agreement that for growth to occur there must be short term stability. The only difference between the two institutions can be attributed to differences in personalities of individual missions and departments.33

The World Bank obtains its funds from governments and from private capital markets. Its source of funds determines its policy orientation. As the President of the World Bank once said:

We are not a social welfare agency committed to making transfer payments to solve the problem of misery or poverty. We are a development bank using the most sophisticated techniques available to facilitate development, while providing unmatched protection and strength for creditors and shareholders.\textsuperscript{34}

The development approach employed was of a technical nature using capital intensive machinery to restructure the Third World to resemble the industrialized First World. This model of development was the only acceptable possibility for the world's financial and political institutions. From this economic model of development one finds the underlying assumption that economic growth through technology can solve the problems of the Third World. No other dialogue is possible with regards to the restructuring of the existing economic and social order. 'Development' is perceived solely as First World technology, military and financial capabilities. When the IMF or the World Bank create development projects it is in the image of the First World. These projects are also created to service the First World, providing access to cheap raw materials and labour. To maintain this economic stability the global financial/political institutions have devised a means of maintaining the existing status-quo.

The concept of credit worthiness to obtain global stability is enshrined in the ideology of the IMF and World Bank. They have a policy of negating all demands for loans or aid until past debts have been renegotiated. A country cannot default on a loan, such as Chile tried to do in 1947. The Bank refused all transactions with Chile until all matters had been resolved.\textsuperscript{35} The issue to be resolved was the renegotiation of payments of all outstanding loans to the First World credit institutions. Only after this issue had been resolved did the World Bank and the IMF agree to consider further aid to Chile. This has the effect of creating a banker's bank that ensures the stability of the economic structure by enforcing payments. Since all commercial banks have a

\textsuperscript{34} Hayter, T. & C. Watson, p. 77-78.

\textsuperscript{35} Hayter, T. & C. Watson, p. 78.
commercial interest in the World Bank then the bank looks after their interests by ensuring payment of past loans. This practice has been enshrined in Policy Memorandum 204 which states:

the bank shall not lend to countries which default on debt repayment or servicing (without agreeing on refinancing), which nationalize foreign owned assets (without adequate compensation), or which fail to honor agreements with foreign private investors (tax agreement).36

This memorandum has been used against a number of countries including Egypt, Burma, Sri Lanka, Iraq, Indonesia, Brazil, Costa Rica, Peru, and Algeria.37

When the world financial/political institutions assume the role of ensuring that debts are paid back or renegotiated, even when the wealth has been obtained illegitimately, they become international watchdogs for the status quo. So far the Bank has gone out of its way to argue against defaults and the formation of a debtor cartel. The Bank's position and its action can be described as part of a 'lender's cartel' which oversees the collective interests of all its members.

The function of the lender's cartel is to extract the maximum debt from the Third World through I.M.F's austerity programs.38 This has led to what is commonly known as "IMF riots". Such situations are produced through the following means:

1. Blocage des salaires,
   diminution du pouvoir d'achat
2. Diminution des prestations sociales
   dans les hôpitaux, les écoles, les institutions sociales
3. Suppression des subventions alimentaires
   hausse du prix de l'alimentation de base
4. Dévaluation de la monnaie,
   diminuation des prix à l'exportation
5. Augmentation des prix à l'importation,
   on exporte au lieu de consumer
6. Libre rapatriement des bénéfices
   propriété des multinationals39

37. Hayter, T. & C. Watson, p. 78.
Riots have occurred only in the Third World where austerity programs, designed by the IMF, have been so severe that people have turned to violence to draw attention to the situation.

Attempts to raise the price of staple food have been the major cause of riots. Such an experience was first recorded in Egypt in 1977 as the Egyptian government imposed the IMF austerity program. These riots could also be described as IMF/World Bank riots, for the World Bank is also fully behind the policies that cause them.  

The IMF and the World Bank perceive that food subsidies for staple goods, such as bread, rice, millet and corn, is poor economic planning and it distorts the natural equilibrium between supply and demand. The world banking institutions believe that a free market economy would solve the problem of food distribution. Therefore, the austerity program, the objective of which is to reduce debt by cutting all food subsidies, also has the effect of increasing the price of staple goods above what the citizens can afford. Food subsidies are one of the few areas through which governments can have a direct impact on poverty; yet austerity programs have traditionally targeted this type of subsidy!

2.6 AID

What role does aid play in the current world structure? One description of aid suggests that it is a clearing house mechanism for surplus from industrialized countries. This is accomplished by giving a credit to a Third World country to buy goods produce from one specific country only. A clear example of this is Public Law 480 that was passed in 1953 in the U.S.A.. The subtitle suggests its true function: "An Act to Increase the Consumption of United States Agriculture Commodities in Foreign Countries, to Improve Foreign Relations of the United States and for Other Purposes." This act has enabled the U.S.A. to export tons of surplus grain to many Third World coun-

40. Hayter, T. & C. Watson, p. 139.
tries, thus weakening the demand for agricultural goods produced in the Third World. 41 This clearing house mechanism comes into operation with every application of tied-aid.

Tied-aid is 'aid' that is given under conditions stipulating how and where funds can be spent. If the country receiving the funds does not follow the specific recommendations, the funds can be cut. This was the case in 1982 with the Natural Gas Company of India which received funds from the World Bank with co-financing from Canada. The conditions attached to the loan by Canada specified the purchase of Canadian aluminum rods whose market value exceeded the world price by 45%. The Indian government objected to the outrageous discrepancy in price and chose to buy the rods on the open market. The World Bank cancelled the project because of India's refusal to buy the Canadian aluminum rods, even though India's objection were consistent with the Bank's neo-classical economic theory.42

The World Bank has a policy of giving aid only if it reinforces the existing global structure of economic relations. A further example of this policy is illustrated by the relationship between the World Bank and Algeria between 1962 and 1972. Algeria approached the Bank to help it finance a fertilizer plant. The Bank refused stating that the market for such a product was too small. The Algerians arranged contracts with neighbouring countries to create a secure market. However, the Bank refused to give aid to Algeria because they had not authorized the project. 43 The Bank also refused to give a loan for Algeria to create boat building capacity and invest in heavy industries. The Bank's argument was that such industries would compete with those of already industrialized countries which were capable of supplying the needs of

42. Hayter, T. & C. Watson, p. 89.
Therefore, according to the World Bank Algeria should manufacture only those products for which it has a comparative advantage, such as textiles and food processing.

A similar scenario was reproduced in the 1980's when the Indian government tried to obtain aid from the World Bank in an effort to modernize its railways. India wanted to develop their own computerized system rather than import the foreign technology. The Bank argued that it was senseless for India to develop its own computer system while many compatible systems were already available on the open market. Although it would take a period of time to develop the computer and to train their personnel, the World Bank refused to consider India's position. The World Bank never did fund India's modernization program.

The aid supplied by the world agencies has had the effect of perpetuating the Third World in a disadvantaged positions vis-à-vis the industrialized countries. The policies advocated by the World Bank and the IMF are those of Adam Smith and his Neo-classical economics. The problem with this economic theory is that it is applied selectively around the world. The World Bank and the IMF do not advocate open markets and fair trading practices across the board. The economic trading policies are imposed selectively depending on their impact on the world market.

An example of a selective trade policy is manifested in Canada and the United States' free trade agreement. Currently both countries have signed an agreement to foster free trade between their respective countries. Such an agreement will also come into effect in Europe in 1992 with the creation of a European Economic Community. These free trade zones are created only between countries that proximate each other in terms of economic development and wealth. Countries outside these trading blocks are

excluded from free trade and face tariff and non-tariff barriers that prevent 'pure competition'. This has the effect of creating artificial barriers to keep Third World countries from engaging in free trade.

The free trade agreement between Canada and the United States excludes equal access of goods produced in Mexico. Mexico is part of North America, yet it is considered a Third World country. Thus it would have a comparative advantage in producing labour intensive goods for North America since wages are very low. In addition, the standard of living in Mexico is much lower than in the U.S.A. Any attempt to normalize trade between the two countries would necessitate creating a more equal playing field between the two countries. In the long run, this would ultimately result in increasing the standard of living for Mexicans. In the short run, this would result in a flood of immigrants north of the Rio Grande and the collapse of the Mexican economy. This is currently the case of East Germany where droves of East Germans are leaving their country for the better economic conditions and prospects of West Germany. Similarly, the result would be much worse for the United States if Mexico became part of the free trade agreement. Americans would experience a reduction in their standard of living due to the spread of wealth over a wider population base. Mexico would benefit by having access to a larger market and by improving the living standard of its citizens. It is for this reason that trading blocks only occur between countries that are relatively equal in terms of wealth and development. Thus, the rules of free trade and trade barriers are applied selectively around the world keeping a tight net around the developed countries and preventing wealth from escaping. Third World countries can engage in free trade among themselves, but not with First World countries.
2.7 COLD WAR AND AID

The level of investment that occurs and the level of aid given does not reflect the actual level of need. Foreign aid and foreign levels of investment are more indicative of the 'cold war' strategy than real need. The effect of aid is to perpetuate the distortion of the market forces by effectively preventing stability. The economies are not stable if aid is needed to prop up the existing structure of power.

A clear example of this distortion is evident in examining the impact of aid on El Salvador. In this country the age old problem of land distribution still remains the bedrock of social unrest. El Salvador, the most densely populated country in Latin America, has one of the widest gaps between rich and poor (See Appendix A). Aid projects that promoted land reform were projected to benefit between 1/2 and 2/3 of El Salvador's rural population. However, the projects ended up helping only 20% of their intended target group. Faced with opposition from coffee growers the aid was switched from land reform to private sector support. The end result of this aid has been a huge distortion of the economy.

Here, not far from the country's rich coffee plantations, wages are so low that the government says it takes seven average salaries to meet a family's basic nutritional needs. About 27% of rural adults are without employment; three out of every five cannot adequately feed themselves.

In El Salvador there has been a widening of the gap between rich and poor, and an increasing dependency on external aid. Aid has enabled the set up of a government opposed to changing the status-quo. Peasant rebellions for land reform are met with M-16 rifles; all demands for land reform being labeled as Marxist inspired. The peas-

47. Larmer, B. p. 19.
49. Larmer, B. p. 19.
ant uprising in 1972 has been received with a massive influx of aid to stabilize the existing status-quo. Unfortunately, stability implies oppression by the military. Without aid the government of El Salvador would come to a complete stop. Perhaps then, negotiation would be possible for a just and equitable restructuring of the economy to meet the needs of the people rather than just the ruling oligarchy that provides coffee and bananas to the First World.

Third World governments have inherited a colonial legacy and its ensuing structure of highly inequitable distribution of wealth. These governments have a very volatile situation and must rely on aid to support their economies. Aid has the effect of creating an artificial stability. This often implies a stability characterized by military intervention to keep the 'peace'. One might postulate a link between human rights violations and the amount of aid received. Israel, for example, which receives an enormous amount of aid from the U.S.A. has had dubious interactions in dealing with the problem of "intifadah" in its occupied territories. Chile whose military dictatorship has been supported by aid has an atrocious record of human rights abuse. The list of countries that are recipients of aid and who have a record of human rights violations is long. These governments that are dependent on aid have pressing demands by their civilian populations for structural changes. Demands for land reform, such as in the Phillipines, have been labeled as Marxist inspired thus marginalizing the demands for change.

There are some governments of Third World countries that have attempted to respond to the unequal distribution of power by imposing structural change within their economies. Such governments have imposed socialist reform policies. The objective of these governments has been to transform the society from its colonial structure to

one of an autonomous inward looking economy. Governments that seek such structural change have not had the support of world aid organizations.\textsuperscript{52} In fact, one might say that such policies have been opposed. This opposition to change manifests itself in subtle ways through which decisions to withhold aid are shrouded in technical and bureaucratic red tape. Examples of these interventionist policies, such as the withholding of emergency aid, are abundant. Such actions are often hidden within the bureaucratic delay in implementing aid. These actions often occur following the coming to power of a populist government whose objective has been the reduction of poverty and misery.

The Chilean government of Allende's in 1970 till 1973 was such a government.

Allendes National Unity Party had nationalized the large American owned copper companies without what the companies considered "adequate" compensation. This was a moot point because the World Bank did not consider Chile as eligible for credit in any case.\textsuperscript{53}

In fact, the World Bank argued that it was a technical problem that resolved itself with the military coup of General Pinochet. When Pinochet took power all aid contracts were immediately resumed. Unfortunately it was too late for the Allende government which had never received funds from the world organization.\textsuperscript{54} The effect of the World Bank's actions has been the cessation of all cash flow to countries if the Bank does not give them credit. The World Bank determines the credit rating of countries. Thus, any adverse action against the capitalist structure, such as nationalization, can have the effect of terminating all capital flow. When the World Bank decides not to give aid all other lending institutions follow suit creating a lender's cartel.\textsuperscript{55} The interest of industrialized countries is guarded collectively to ensure the stability of the existing socio-economic structure. Therefore, countries that seek a redistribution of wealth

\textsuperscript{52} Hayter, T. \& C. Watson, p. 329.
\textsuperscript{53} Payer, C. p. 47.
\textsuperscript{54} Strahn, R. H. p. 176.
through nationalization of land or redistribution of wealth are isolated and become unstable.

Another country that faced a similar fate to that of Chile is Jamaica. Michael Manley's government defined its internal policies as 'democratic socialism' the objective of which was to shift resources to the poor. In 1978 the IMF was able to alter the policies of the popular government on a technicality concerning the amount of funds in its reserve. The assets of Jamaica were below by 2.6% or by $JM.19 million below the accepted reserve level agreed upon by the World Bank. The IMF seized this opportunity to withhold U.S. $15 million thus effectively withholding a further U.S. $30 million from the World Bank. The withholding of funds effectively forced the Jamaican government to impose drastic budget cuts. This resulted in a recession and consequently a reduction in the popularity of the Manley's party.

After 1980, when Manley's P.N.P. party came to power, the World Bank distanced itself from the Jamaican government. The financial ties between Jamaica and the world financial/political institutions were restored once again when Edward Seaga's conservative party came to power. What Manley did wrong, as far as the IMF was concerned, was to introduce social reforms when the Bank perceived the major problem to be one of a balance of payments. Although Manley did try to meet the foreign reserves test, external matters beyond his control made this impossible, such as an increase in oil prices, high interest rates and the foreign debt. Before the break away from the World Bank, the IMF had succeeded on imposing austerity measures on Jamaica, which included a 25% devaluation, reduction in real wages and tight restriction on government spending. These austerity measures made Manley's P.N.P. party

57. Hayter, T. & C. Watson, p. 49.
58. Hayter, T. & C. Watson, p. 117.
59. Hayter, T. & C. Watson, p. 49.
60. Hayter, T. & C. Watson, p. 49.
unpopular. Furthermore, the restrictions on credit imposed by the IMF resulted in the destabilization of the country.

The World Bank and IMF were created to foster world stability. One cannot argue that these institutions succeeded in this objective in Jamaica by imposing austerity measures and then withholding aid. If stability implies the support of the status quo then the World Bank and the IMF have succeeded. Edward Seaga's was right-wing and pro-imperialist. Thus, stability must imply government policies that are consistent with the colonial past. Conversely, instability must be defined as those government policies whose objective is the severing of the colonial past. Countries that have policies which perpetuate the historical mode of exploitation also have societal imbalances. Aid is the catalyst that enables this historical imbalance to perpetuate itself. Without aid countries would need to restructure their economies to redress the social imbalance.

The other important element that perpetuates the existing stability as it is defined by the developed world, is that of the world debt. The debt is linked to aid since foreign loans are a component of aid. When countries receive aid there is often a percentage of loan that must also be accepted.

If world capital flowed in a natural way, such as osmosis, then one would expect a more even distribution of wealth world wide. This would also be the result if neoclassical economics were practiced in a free or unaltered fashion. However capitalism and its development around the world has proven this hypothetical proposition to be impossible.

Countries that became colonies of the European empire are still, to a great degree, continuing to exhibit most of those same structural characteristics. Political
independence has come for many countries in a symbolic fashion without altering the dependent political and economic social structure. When independence was obtained, the real opponents were prevented from participating in the process. Therefore independence was obtained with many a puppet regime becoming legitimate leaders of state. These governments obtained their independence at the peak of the ‘cold war’ when there was enormous pressure to adopt the capitalist ideology.

The capital infrastructure was an outward looking economy geared to serving the interests of the colonial powers. This social structure has remained intact until today in many former colonies. These export oriented economies are in a perpetual disequilibrium since the infrastructure does not serve the interest of the indigenous population. Thus the structure of power has became stagnant in the hands of the oligarchy. To add to this volatile situation world agencies, such as the World Bank and the IMF, were created to ensure stability. Stability was created by injecting aid into unstable economies. Aid in its early years was oriented towards the building of infrastructure.\textsuperscript{61} The objective was to solidify the colonial past.

Former colonies which obtained political sovereignty, inherited an unstable economy and were forced to rely on aid to continue their precarious existence. Countries that tried to break away from this dependency model found their aid was terminated. While the aid is being cut off, countries are subjected to destabilization programs; for example U.S. military funding to the Contras against the Sandinista government and the propping up of hostile regimes around the country to isolate it. This was also the case of Vietnam whose independence resulted in isolation. A further deterrence to Vietnam was the massive bombing of the country which pushed the Vietnamese economy back by at least a decade.\textsuperscript{62} Thus global stability is maintained from the perspective

\textsuperscript{61} Hayter, T. & C. Watson, p. 88.
\textsuperscript{62} George, S. p. 208.
of the First World.

The topic of aid can be depicted altruistically. At least that is the media picture that is projected by government authorities. The graphic pictures of children starving make some people want to help these children. Governments of the First World respond by sending their surplus food to modify a crisis situation. In the short term, this might alleviate a crisis situation. The solution to the problem is, however, long term, whereby aid is applied to correct the problems of uneven distribution of wealth and power thus preventing a crisis scenario. As it is, the aid that is provided by governments bilaterally serves to maintain the status quo. This status quo means wealth and power remain within the Western industrialized countries. The aid that is provided to the Third World ensures the stability of socially unstable oppressive regimes. By the same measure, aid is also used to destabilize countries that seek greater autonomy from the industrialized West. This is accomplished by way of military intervention and by using the debt and interest rate scenario, thus forcing countries to impose austerity measures.

2.8 CONCLUSION

In this chapter we have examined the advent of colonialism and the subsequent independence of many nations. This independence has been proven to be artificial in many cases because they were orchestrated by the colonial regime. Thus, the independence of many nations did not result in any real change in the existing social structure. What has materialized on the world scene has been the advent of global trading patterns that have concentrated the wealth of the world in the coffers of a select few nations. Although these young and emerging nations were 'independent', the world community, in its infinite wisdom, perceived the utility of creating world political/
financial institutions that would ensure stability on a global scale. This stability was defined as the existing status quo. Thus aid was created to maintain the existing global trading pattern.

Global stability is defined in relation to the post colonial era. The birth of many independent nations were orchestrated to maintain the existing trading patterns. Aid was further used as a tool to obstruct any alteration in the pattern already established. Aid has been depicted as helping the Third World in terms of providing development. In reality, this aid has obstructed any possible advancement of the Third World.

Having illustrated that aid provided by the world's financial institutions is not a constructive element for the Third World, one must then consider if there are any alternatives to government aid that exists. Government aid has been depicted as enforcing the status quo. The alternative to government aid is aid provided by Non Governmental Organization (NGO). To examine this possibility one must examine NGOs in a generic sense. The study of NGOs as providers of aid should reveal if there are any forms of aid that can be beneficial for the citizens of the Third World.
Chapter III

NON GOVERNMENTAL ORGANIZATIONS

To the young of the developed countries of both the capitalist system and socialist I say: Instead of going to the Third World in order to try to activate violence there, stay home in order to help develop the consciences of the affluent countries, which also need a cultural revolution that will lead to a new hierarchy of values, a new view of the world, a global strategy for development, the revolution of mankind...

Dom Helder Camara

Agenda Magosan Agenda

University of Ottawa, Campus Ministry

September 1989

Dom Helder Camara is asking us to stay in our own countries to transform our consciousness. A real revolution must occur within the socialist and capitalist countries to alter our views of development of the world as a whole. To what extent are Non Governmental Organizations (NGOs) answering this plea? Are the NGOs the catalysts for change that the Third World has been waiting for? In order to answer these questions we will study the genesis of NGOs and their current structure in Canada.

At the macro level NGOs represent about 2% of all foreign aid to the Third World.\(^1\) Other studies indicate that governments in general do not spend more than 10% of aid on development through NGOs.\(^2\) To better understand the significance of NGOs and their contribution to development an analysis of what NGOs are and what

\(^1\) *New Internationalist* calendar 1989.
their role in development has been thus far is deemed necessary.

NGOs exist around the world in different shapes and sizes accomplishing different functions. Their objectives vary from ecological preservation, to the monitoring of human rights, to the development of the Third World. Politically, NGOs can be right wing, left wing or neutral. Their existence can be either long term or short term. They can exist for a day, a week, or several decades such as Oxfam\(^3\) or for a century like the Red Cross (1859).\(^4\)

The NGOs being studied are those that see their objectives in terms of development of the Third World. The term 'development' is often associated with Third World countries in terms of 'aid' used to help countries attain their economic potential. This potential however has been defined only by the First World as demonstrated in the first chapter. To determine the relative importance of NGOs one needs to explain what functions they serve in our society and in the societies of developing nations.

To execute this examination of NGOs one must first define the parameters of NGOs. The next step is discerning the different possible objectives of the NGOs. This should help one to better comprehend the nature of NGOs. To make the analysis more complete, a historical overview will also be presented.

The second element of the analysis is related to the acronym 'NGO', which in its very name suggest the basic nature of the organization that is, an agency outside of government. To accomplish this examination of NGOs as providers of aid, one must examine such project variables as size, technology and ecology. This will enable the reader to evaluate the impact of NGO aid on a global, national, and local scale.

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The last element that will be examined is the role of volunteers within the organization. This last factor has been the bedrock of existence for several NGOs. The function and the role of volunteers has been an important issue when analyzing the evolution of NGOs. This section will also analyze the role of the 'professional' and the impact of government funding on volunteers.

3.1 Definitions

In defining NGOs one encounters many difficulties. The definitions of what is and what is not an NGO varies according to the country and the interest group that establishes the parameters. According to Landrum R. Bolling, in his book called *Private Foreign Aid U.S. Philanthropy for Relief and Development*:

(Th) e NGO is an invention of the United Nations. Strictly speaking, there is a difference: the NGOs have a recognized status as consultative to the UN and are primarily engaged in study and advice on international issues.5

The specific role of the NGOs is to influence policies of the United Nations (UN) and the public attitude towards those policies.

NGOs, in the UN lexicon, have a rather special meaning related to their "consultative" status with the Economic and Social Council (ECOSOC), or some other UN specialized agency. To acquire "consultative" status they are supposed to commit themselves to "undertake to support the work of the United Nations and to promote knowledge of its principles and activities".6

An example of an NGO that gravitates around the UN is the United Nations International Children's Emergency Fund (UNICEF). This fund works with 50,000 volunteer groups in 15,000 American communities.7 Another example of a UN 'NGO' is the United Nations Conference on Trade and Development (UNCTAD) which was creat-

ed in 1962. By 1968 this 'NGO' had convinced the General Agreement on Trade &
Tariffs (GATT) to give preferences to only 11% of manufactured goods from the
Third World of the total imports by the rich from the poor countries. It has been not-
iced that the agency spends $36 million on its offices and staff, and just $1 million on
"programs to promote and expand world trade" With this allocation of expenditures it
is questionable as to whether UNCTAD has made any positive contribution towards
development when such a large majority of its budget is spent on administrative
expenditures.

According to Tim Brodhead of the North-South Institute of Ottawa, a definition of
an NGO should first satisfy three functions:

1. Ils répondent aux besoins humains des pays pauvres.
2. Ils amènent les Canadiens à mieux connaître et à appuyer les efforts
de développement international.
3. Ils encouragent les politiques publiques qui contribuent à un ordre
mondial plus juste et plus équitable.

These three functions do not have to be incorporated in every NGO. As long as
one of these three functions are incorporated into the objective of the organization then
it could be classified as an NGO in the field of development according to Brodhead.
What can be argued is that the definition is too broad and encompasses quite a range
of economic activities. Using any of these three criteria a petroleum company such as
Petro-Canada could argue that drilling for oil in Venezuela would be a response to the
need of a poor nation. Thus, for a definition to be effective it must be more specific
and exclude those projects done primarily for the profit motive.

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1990, p. 6.
10. Brodhead, T., B. Herbert-Copley, and A. Lambert, Pont de l'espoir. Institut
In the United States "private voluntary organizations", PVOs is the expression that most closely approximates the Canadian definition of NGOs. The acronym PVO was created by the U.S. Agency for International Development (AID).

Originally it was applied to those non governmental agencies that received grants or contracts from AID to help carry out certain U.S. objectives in development assistance. Now it has taken a very broad meaning, covering all manner of private and public service entities, domestic and international financed by or wholly independent of government.11

PVO's incorporate the whole range of organizations and individuals involved in development. The definition of PVO's includes churches, foundations, corporations, and voluntary organizations both public and private. The only element excluded from the definition are government agencies.

The extent to which UNICEF can be considered a non governmental agency is debatable. There is no denying that UNICEF does contribute to development work in the Third World and that it is a member of the United Nations. The questions that arise from this example are, what group of organizations are we trying to define? and who is setting the parameters of the definition used? It is obvious that the definition used within any organization must accurately define the parameters of the intended group. The definition used by the North-South Institute is very broad in that it can incorporate development for profit motive as well as development for non-profit motive. The definition by Bolling incorporates a wide range of institutions under the PVO acronym, none of which are profit oriented. However, this definition of PVOs is so broad that it incorporates organizations that have a direct link with the United Nations, which in Canada would be considered a government organization.

A more precise definition of NGOs is one postulated by Yvon Madore. He states that,

Organismes non-gouvernementaux engagés dans la coopération et le développement international -ou- L'ensemble des organismes privés bénévole à but non-lucratif créés pour aider à la réalisation des projets en pays de Tiers Monde et l'éducation du public québécois concernant le sous-développement, ses causes et les moyens de les corriger.  

The definition used by Yvon Madore combines five different elements. The first element that is brought to our attention is the international nature of the organization. The second element is the private nature of the organization, implying that it is neither a government nor a profit seeking venture. The third element is the voluntary nature of the participants who are not renumerated at the market rate for their contributions. The fourth element is the NGO objective of helping citizens who live in the Third World, either through solidarity via direct contributions of aid projects or indirectly by lobbying or altering consumer spending habits. The last element is that of public education about the issues relating to the underdevelopment of countries. This definition implies a voluntary and active participation in addressing the problems associated with underdevelopment. These five elements in combination approximate the essence of what NGOs symbolize in Canada. Although the definition defines the Québécois as the target group it can be applied to Canada as a whole.

However, if the research is done on development only at a purely academic level with no ensuing action to follow, then does the organization doing this type of research qualify as an NGO? Research without any action should be classified as academic research, such as this thesis. Similarly, studies on development by organizations such as the North-South Institute and the International Development Research Council are considered NGOs by the Canadian Council on International Cooperation (CCIC).

The CCIC is an umbrella organization representing the interest of all English Canadian NGOs and some French NGOs. If these organization are not involved in "recherche action" or public advocacy, should they be considered as NGOs?

A more complete definition of NGOs is one that combines elements of the above definitions and perhaps a little more. First of all:

1. The organization should be non-profit and non governmental in nature.
2. The organization should not rely on government funding for its survival.
3. The objectives should be that of educating the public about why the 'Third World' and the 'First World' dichotomy exists.
4. The organization should promote some element of participatory action on behalf of the public.

If this definition of NGOs was applied, then very few Canadian NGOs would qualify. Most Canadian organizations are heavily dependent on governments funding for survival and many do not promote active involvement by their members. However, if self-autonomy was ensured then greater flexibility in promoting development would be possible.

3.2 **OBJECTIVES OF NGOs**

There exists many reasons for creating an NGO. One possibility is that such organizations should exist if only to present an opposition to the state. Examples of state opposition types of organizations include labour unions, for example the Solidarity in Poland and religious opposition, such as the Baha'i faith in Iran. In Latin America NGOs are defined by the state as elements of opposition thus enforcing their negative role.13

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The second possible objective of NGOs is to actualize certain functions that the state cannot assume for reasons of diplomacy, loyalty or binding agreements. Examples of this kind of inaction by the state occur often in our times. Such a situation is exemplified by France’s nuclear testing in the South Pacific. The inhabitants that lived in that region of the South Pacific were against nuclear testing. To prevent France’s nuclear testing the NGO, Green Peace sent their ship Rainbow Warrior to the testing region, effectively putting their crew and ship at risk from the nuclear explosions. Although many countries of the South Pacific region were opposed to such nuclear testing, no country could take direct action. Thus, the NGO had actualized the desires of many citizens without entangling their countries in a diplomatic dispute with the French. The NGO can also be seen as demonstrating the element of opposition to France by forcing it to modify its nuclear testing program.

The third example of an NGO objective is one of providing humanitarian aid. The most notable example of this objective came about as a result of the battle of Solferino in 1859 between the French, Italian and the Austrian troops. In this battle, 40,000 men\(^\text{14}\) were left to die because neither side was willing to venture onto the field and risk their lives. The wounded soldiers were left in the field without any possibility of being saved. This scene prompted a Swiss national to organize a completely neutral relief group to help the casualties of war. This group of volunteers has grown and expanded their role on the international scene. Today, the Red Cross is providing relief to natural and man-made disasters around the world.

The fourth possible objective of an NGO could be to work with groups of people who are by-passed by large state development projects. The NGO would target the local community by using the self-help approach. This may not bring about large scale

structural change but it would at least help ensure that reserves of capital, labour, and the appropriate technologies are used in a more constructive way. This would be of direct benefit to the poor rather than the upper income groups.¹⁵

These four possible objectives are not mutually exclusive. NGOs can define their mandate as a combination of these four objectives. The action of Green Peace in the South Pacific was both opposition to the state of France and supportive of a people. Thus, NGO activities can reflect a combination of objectives.

3.3 WHAT IS DEVELOPMENT?

To discuss NGOs that are involved in development one must first have a clear understanding of what 'development' means. For some entities, such as the World Bank, 'development' is purely a quantitative unit, such as the Gross National Product. Others might conceive development as a normative measure, meaning culture or quality of life. To the Cree and the Inuit that live in the James Bay area of Canada 'development' means control of their ancestral land not the construction of Phase 2 of Québec hydro-electric dam project. However, some NGOs perceive 'development' as something other than a quantitative variable. For example Oxfam, U.K., perceives development in the following fashion;

If people are to 'be more', they must participate fully in their own social and economic development: they must make their own choices and not become the servants of an externally-devised grand design... Thus, an increasing number of development projects which Oxfam support stress what we might term non-material objectives. Such objectives include the raising of peoples' consciousness, increasing solidarity and creating organizations through the impoverished and marginalised groups within a society can build a more secure, less oppressed base from which to challenge established privilege...

Oxfam's aim to relieve poverty, when translated into such terms, means supporting projects to increase awareness and self-determination and to remove the material barriers to self-reliant development.16

When NGOs first appear in the field of development is unknown. Development as perceived by NGOs has always occurred either in terms of an accumulation of knowledge or from a transfer of knowledge for example, hunters and gatherers accumulating the experience and knowledge to develop into an agrarian community. So development as such has occurred throughout human history. When the term 'developed nation' is used one envisions a Western country, such as "U.S.A., Canada, Northern Europe, Australia, or New Zealand."17 Underdevelopment is a comparative term relative to industrialized countries. The West might be developed economically, but spiritually and philosophically it might be bankrupt. This can be argued since the social fabric, such as our norms and values, which holds our society together seems to be disintegrating. The spiritual element of our society has been replaced by "raw materialism".* which is becoming the guiding thread in our society. When people refer to the term 'underdevelopment' it is often associated with countries that are not as developed as the West in the economic sense or that have not reached their economic potential in the way the West has defined it.

Most 'underdeveloped' countries possess a colonial past indicating an economic and political link with another industrialized country. It is this colonial link that has established the current pattern of world trade. The trade pattern that was set up by the colonial power was later entrenched by the Bretton Woods Conference (1946), the

* "Raw materialism has always been destructive. But only now are we realizing that it is self-destructive, too. Knowing no limits to its power, unable to comprehend the meaning of anything else, it consumes and extracts, pollutes and degrades without fear for the future or respect for the past." Sandberg, D. Raw Materialism: The World is Suffering from a Fatal Illness, New Internationalist, No. 204. February 1990, p. 13
World Bank, the International Monetary Fund, and the General Agreement on Trade and Tariffs (GATT). As a consequence of colonial trade patterns, trade as a development mode did not occur. Consequently, economic stagnation was the result. The response to this economic stagnation has been a creation of development projects to encourage a more human environment and to ease our consciences.

To further entrench this economic disparity the language used narrows the parameters of the subject. We conceive the issue as being a question of 'development'. We, the First World are 'developed', they, the Third World, are not. The subject 'development' is defined in relation to the First World. When we define the subject in this fashion, the options that are available become limited. If we define the subject in terms of an equitable redistribution of goods produced, then development would appear as just one out of many possible courses of action. If we continue to refer to the subject as development and to distance ourselves from the Third World, then it would seem impossible for the social economic order to ever change. Our language and our definitions have become an obstruction to altering the current economic social structure.

3.4 HISTORY OF DEVELOPMENT

'Development' as conceived by the West, first occurred in the Third World with the coming of the missionaries and the clergymen. Missionaries were often the first people to come in contact with 'underdeveloped' societies. Within the Eurocentric world of colonialism, a 'white man's burden' was perceived to exist. This burden manifested itself in Europeans going out into the world of 'the barbarians' to convert and 'civilize' indigenous peoples. Development was only conceived in terms of converting indigenous population to the acceptance of a Western religion. The missionaries converted the 'pagans' and taught them skills such as reading and writing in a foreign cul-
ture. Although the missionaries had great intentions, thinking that their converts would be happier, the negative consequence of such actions were far greater than ever envisioned. This initial contact paved the road to all future 'development' and 'progress' for many decades to come.

Before the Second World War, development was considered a missionary exercise. Aid projects, as we understand them today, were created and executed by the clergy. Such projects as schools and hospitals were undertaken by the religious institutions who managed them. Their behavior was very similar to what NGOs are doing today in terms of development except that they had an additional spiritual mission.¹⁸

After the Second World War the Western world witnessed the first wave of secular NGOs created to foster development in war torn Europe. The development of Europe was aided by the Marshall Plan devised and executed by the United States. The NGOs created at this period had the objective of helping Europe re-establish its predominance as an economic and military power. Among the NGOs created in the post war period were Amnesty International, Oxfam (UK), Save the Children Fund, Foster Parents, etc... The objective in creating these NGOs was related to European reconstruction.¹⁹ To accelerate this process the NGOs expanded in Canada like the branch plants of multinational firms. This created a non-religious Canadian dimension of NGOs within Canada. It must be noted that as Europe's reconstruction was completed, the NGOs turned their attention to the 'underdeveloped' nations. To survive as entities, the NGOs reformulated their objectives thus prolonging their 'raison d'être'. The NGOs that established themselves in Canada had the specific objective of raising funds to be transferred to their head office in either Europe or in the United States.²⁰

The consequence of this action was that expertise in formulating and implementing 'development' projects remained outside the country. Canada had international NGOs but no real expertise in this field. Some of these international NGOs such as Oxfam and Save the Children later became independent Canadian NGOs.

In the 1960's Canada witnessed a spectacular growth in the number of Canadian NGOs, e.g. created in CUSO 1961. This growth might have been caused by a major change in funding policy by the Canadian International Development Agency (CIDA) which, in 1968, started co-funding Canadian NGOs. This change occurred as a result of various programs that involved co-funding, joint-funding, match-funding, and Public Participation Programs. For example, in 1962, government funding accounted for 45% of these agencies budgets, whereas in 1972 it accounted for 64% of their total budgets. This change in policy has resulted in an increasing dependency of NGOs on the government. This relationship has made the independence of NGO's policies more tenuous with many NGOs becoming more and more dependent on the hand which they, at the same time, are trying to bite.

First is the increasing reliance of the NGO community as a whole on government funding, which according to questionnaire data may currently represent almost 50% of total NGO resources...For agencies engaged solely in development education, dependence on government funding is high (with some 75% of agencies receiving more than half of their funding from government sources) but relatively stable over the years. For agencies with overseas programs, however, the level of dependence on government funds is lower, but has increased rapidly; from 32% to 54% between 1975 and 1984. Much of the increase in government funding has come not from normal "responsive" matching grants programs, but rather from contracts and so-called "country focus" programs, under which Canadian bilateral aid projects are implemented by NGOs.

21. Herbert-Copley, B. p. 3.
23. Herbert-Copley, B. p. 27.
The number of Canadian NGOs has increased in the last decade. However, their private source of funding has not kept up with the pace of expansion. In 1975, 60% of all finances originated from the private sector. By 1985, 50% of funding came from private sources, implying that the role of government in terms of financing NGOs has been increasing.\(^{24}\) With the radical change in the funding policy, since 1968, some NGOs have found their dependency on the federal government to be almost complete. This reduction in autonomy because of income flows must have some restriction on flexibility in criticizing the government that keeps them alive. The funding policy pursued by CIDA combined with the 'country focus' programs has had the effect of reducing the autonomy of many NGOs.

The relationship that exists between government aid programs and NGOs is not one of equality since NGOs depend on government for financing. This relationship that currently prevails in Canada can lead one to skepticism about the credibility of aid projects done by NGOs, since many NGOs were created because of dissatisfaction with government foreign aid policy. Currently, those NGOs are being drawn into collaboration with the government that they once criticized.

The funding policy currently pursued by CIDA has lead to the creation of two distinct groups of NGOs. An example of a group that specializes in sending coopérants overseas is CUSO, formerly known as the Canadian University Services Overseas. The group of NGOs who send volunteers abroad normally incur a higher cost of operating and therefore are often more dependent on government financing to accomplish their objectives. In 1975, 32% of such organizations, obtained more than 50% of their financing from the government. In 1984, 54% of organizations that sent volunteers obtained more than 50% of their financing from the government.\(^{25}\)

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24. Brodhead, T. p. 27.
World Interaction is an example of a Canadian NGO that specializes in educating the Canadian public about Third World issues. In between 1975-1984 the proportion of organizations that receive 50% or more of their total budget from the government has remained almost constant at 75%. However, there is no clear cut distinction between the two models since many NGOs are involved in both sectors. The overall trend has been that of an increasing amount of dependency for both types of NGOs on government for survival.

Recently CIDA has become more critical of NGOs and their role in development. They want the NGOs to become more efficient and innovative in their approaches. They also perceive that more can be done with the volunteers who already contribute time and energy freely to development issues and projects. There demands on NGOs to increase the complexity and grassroots link with the communities. These are the great challenges that CIDA envisions for the NGOs. The last element in CIDA's recommendation is the concept of networking on an international scale. This implies setting up links between NGOs of the North with NGOs of the South to pool knowledge and resources. Such an idea has spread rapidly since the 1970's with the formation of several international umbrella organizations, which coordinate and interchange valuable information. According to Marc Nerfin in "Une Introduction au Tiers Système"

Il est nécessaire et urgent de faire en sorte que tout événement significatif dans un espace local le soit aussi dans l'espace global, et réciproquement; d'intensifier les échanges d'expériences... qu'il/elle appartient à une fraternité globale. Cela appelle un effort conscient vers le 'networking' universel, vers des communications du tiers système à l'échelle planétaire.

27. Herbert-Copley, B. p. 25.
This networking is seen as a global solution to some of the possible problems encountered by NGOs. If it occurs, which it has, it is because the NGOs benefit and not because CIDA would like it to happen. It may be that this networking can result in reducing the dependency of many NGOs on CIDA for resources.

The networking that NGOs are currently involved in has been a natural outgrowth of their involvement in the Third World. When CIDA or a Canadian NGO sponsors a Third World NGO, it alters the conception of what development means. The term 'development' now implies empowering the Third World by providing them with the means to decide and execute what they conceive as development. This vision of development does not incorporate any role for NGOs of the industrialized countries in terms of active participation abroad. This perception would be more in line with Dom Helder Camara’s perception of development. Therefore, Canadian NGOs might have a greater impact on 'development' if they focus their energy on altering our consciousness at home.

3.5 HISTORY OF QUEBEC NGOs

Religion has played a very strong and important role in the province of Québec. The responsibility for education and health was completely in the hands of the Catholic Church until the Quiet Revolution.

L'Eglise, par son alliance avec la classe dominante au Canada et par son assise économique, représente une force économique imposante et occupe une place dominante dans les rapports politiques: une série de privilèges accompagnent et étoffent cette situation...29
Cette protection équivaut, pour l'Eglise, au respect et à la confirmation des ententes dans les domaines de l'enseignement et de la santé, et au maintien des droits de propriété établis par le code civil et des privilèges légaux existants.30

It is within this context that the Québec history of NGOs in development arose. The convergence of the State and religion allowed a more religious approach towards development and made it possible for the expansion of missionaries to the four corners of the earth. The greatest expansion of foreign missions occurred after the Second World War with missions being set up in Asia, Africa, Latin America and Oceania.\textsuperscript{31}

During the Quiet Revolution, in the 1960's the role of the Catholic Church became more subdued with the emphasis on development moving from the spiritual to the economic, social and political. This change of emphasis was also noticeable in organizations, which transformed themselves from religious orders into secular organizations such as Service Universitaire Canadien Outremer (SUCO) and le Centre d'Etude et de Coopération International (CECI). 1967 witnessed a similar transformation within the Church, with the creation of the Canadian Catholic Organization of Development and Peace (D & P). The objective for D & P was:

promoting active international solidarity between Canadians and the people of the Third World, through financial support for development projects in these countries and through a program of information and education with the Canadian population.\textsuperscript{32}

The distinctiveness between the NGOs of French and English Canada reached a critical point in 1968. For English Canadians the concept of NGOs came about as a result of philanthropy, while the concept of NGOs in French Canada has its origins in the Catholic missionary tradition. This distinction is one of the root causes of a split that occurred in 1968 in the formation of the Canadian Council for International Co-operation (CCIC). The CCIC was created to coordinate the activities of private organizations for profit and non-profit motives. The CCIC was to be the intermediary body


between the government and all other organizations. The NGOs of Quebec protested that CCIC had too broad a mandate catering to this diverse group of organizations.

Le problème des ONG québécois est né de la trop grande diversité, des organismes affiliés au C.C.C.I.. Plusiers étaient internationaux au sens le plus large du terme, c'est-à-dire qu'ils étendaient leur action autant aux pays nantis qu'aux pays pauvres; d'autres avaient des objectifs plus humanitaires que strictement de coopération au développement. C'était le cas, par exemple, des Boys Scouts of Canada, des Y.M.C.A., des Y.W.C.A., ou encore de l'Association des clubs Kinsmen. 33

The NGOs from Quebec felt that the objective of helping the Third World was being marginalized by CCIC. In 1973, the NGOs from Quebec published their own definition of an NGO in development. In 1976 the Quebec NGOs formed their own association called l'Association Québécoise des Organismes de Coopération Internationale (AQOCI). In their own fashion the NGOs from Quebec have created an association that better reflects their interest in terms of fostering development in the Third World. Since that initial split with CCIC, the AQOCI has grown more independent and more articulate in expressing their views of development for the Third World.

3.6 NGO PROJECT VERSUS GOVERNMENT PROJECT

In order to understand the significance of NGOs this paper will compare and contrast a project initiated by the World Bank with one initiated by an NGO. This comparison will illustrate the advantages of NGOs in the field of development. Although the example is not representative of all NGOs and government projects, one can draw some insight into the advantages and disadvantages of dealing with either type of aid donor. The World Bank, is responsible to all member countries according to the percentage of their contribution. The NGO, Canadian Catholic Organization of Develop-

ment & Peace is responsible to more than 40,000 volunteers across Canada, the Canadian Catholic Conference of Archbishops and CIDA.

The most notable feature of NGO projects is the size of the project undertaken and the ability of the NGO to respond to a crises situation such as a natural disaster. Their agility comes from their small size which enables them to mobilize their resources faster than governments that have a larger bureaucracy and are required to follow protocol.

NGOs, unlike governments, are involved in small projects which are often conceived and designed by the indigenous population. Since the indigenous population create the project, it is more likely to address itself to those who are most in need of assistance. An example of this type of project is one managed by the Land Pastoral Commission in Brazil and promoted by the Brazilian Catholic Bishops. The Commission is trying to up-hold the promises made by the government to provide land for the poor so that they can feed their families. The Commission also provides people with an opportunity to meet and share their problems while providing them with legal support. The aim of the Commission is to facilitate community based support groups that provide a forum for local women. The total cost of this project was $2,000 for the peasant's legal assistance and $1,000 for the Pastoral Land Commission. As a result of this project there have been some success stories.

(In) Maranhao, 600 families organized a rural workers association and now work former estate lands. In Espirito Sauto, some 800 families joined forces to harvest crops on land that had been partially expropriated by the Brazilian Government.38

This small project has had a direct impact on the local population and has enabled them to achieve a means of becoming self-sufficient. The project is small in terms of the amount of money used and the structural changes that have occurred. The land reform policy had been in great demand by the peasants who have increasingly been pushed off the land. It is their demands for reform that have been addressed by the Brazilian Catholic Bishops. Without land, the peasants became powerless in a country run by an oligarchy. Thus, the landless and powerless have become self-sufficient and have obtained a measure of power as they have secured land of their own. The satisfaction of this group of people is evidence that some NGO projects contribute in a positive way towards building an autonomous Third World.

The government project that will be illustrated is one which was undertaken by the World Bank.

One third of the world’s tropical rain forest is found in the Amazon, which covers 2.1 million miles (5.5 million square kilometers). Over 3,000 species of fish inhabit the Amazon system. Fishing expeditions usually result in no two fish alike.39

This amazing richness of life has been a target of development by the World Bank in debt burdened Brazil. To ease itself out of the jaws of interest payments the Brazilian government opened its doors to the ‘development’ of the tropical forests of the Amazon. The result of this ‘development’ has been nothing short of disaster for all those involved. The two dams already built and operating, thanks to the World Bank (with approval by the Canadian Government), are the Balbina Dam and the Itaparica Dam.

These 'development' projects have caused enormous destruction to the environment and have left the native peoples desolate. The construction of the dams, entailed the flooding of 2,400 square kilometers of virgin rain forest, resulting in the displacement of 1,000 isolated Weimire-Ataroa Indians. As a consequence of relocation, members of these native communities contracted diseases which has left only 300 survivors. To make matters worse, the transmission towers cut a 500 meter wide swath through the jungle. The transmission line carries virtually no power. A faulty design left the dams generators almost immobile because of insufficient water volume to run the turbines. Not only has the displacement of indigenous people been genocidal, but the infrastructure has not generated enough energy to pay for itself. The net result therefore, has been an increase in the debt of the country. This project has also destroyed countless number of animal and plant species that can never be replaced.

Currently the Brazilian government slated another 80 dams for construction in the Amazon. The World Bank has refused funding for the project but, six major Canadian banks have all approved loans for the second phase of the project. The Canadian banks belong to a consortium of chartered banks preparing a U.S. $750 million loan for the second phase. The World Bank might not agree with the second phase but it is still the banker's bank and will act accordingly to ensure Brazil pays back on this loan from the commercial banks.

42. Western Canada Wilderness Committee. Western Canada Wilderness Committee Education Report, Vol. 8 No. 4. 1989, p. 6.
43. Western Canada Wilderness Committee. Western Canada Wilderness Committee Education Report, Vol. 8 No. 4. 1989, p. 3.
The size of the World Bank project is an important element when analyzing the total effect on all those involved. From an ecological perspective, the project can probably be seen from a plane overhead. The flooded land, the mighty river that has lost its fury, the jungle that has been cleared around the dam. Then there is the human cost involved in terms of people that lived in the region that have lost all autonomy since their land is currently submerged. The jobs that were created by the dam were very technical implying an influx of mostly foreign labour and experts. On a global scale, the project has benefited nobody since only a fraction of hydro power is being produced. At the local level, it has displaced people that lived an autonomous life. Currently, they have become social beggars without resources. The aboriginals have lost out on every possible benefit and have even been submitted to genocide. The project done by the NGO on the other hand cost a fraction of the World Bank costs. It involves no foreign labour and inconveniences no one. The objective of the project was attained and people obtained more autonomy by becoming more self-sufficient.

For whose benefit was the dam built? Few benefits for the Brazilian people have materialized. The dam was built without any input from the local population. Are the natives of the Amazon in need of such megaprojects? Of course not. What they need is to be either left alone or consulted about what they perceive as development of their region. If the natives conceive a need then they, and not the bureaucrats in the First World should be the ones deciding over their future.

Another example of a World Bank project is one in Mexico currently the second highest debtor nation of the Third World. Its debt currently stands at $107.4 billion (U.S.). In 1982 foreign banks revealed that a foreign debt crisis existed which effectively shut off all new Latin loans. Since 1982, the Mexican government has paid back

$56 billion (U.S.) dollars more than it has received in new assistance. This does not take into consideration the estimated $40 to $50 billion in private capital flight.\textsuperscript{45} This burden of austerity imposed on Mexico has cut away all existing social safety nets. It was under these conditions that the World Bank and the Japanese Export Import Bank offered a restructuring loan to Mexico. The objective of the loan was to modernize existing steel plants. To accomplish this, the banks shut down the mills and laid off 4,500 workers. The other objective in closing down the plants was to break the "anachronistic local union".\textsuperscript{46}

The action of the World Bank has favored the expansion of capital production and sacrificed the collective rights of union members by effectively providing the funds to close down the facilities. This has created a situation whereby the plant will be more capital intensive and needing less labour in a country that is plagued by high unemployment. Who will benefit from this venture; the people who have lost control over their productive capacity, or the banks?

The last element this chapter will focus on is the comparative advantage the West has in terms of technology. When people conceive of aid, they often imagine that a simple transfer of technology is all that is needed for the Third World to catch-up in terms of 'progress'. This kind of solution has been found in many cases to be in fact 'underdeveloping' the Third World. Technology that was created in developing countries is capital intensive and highly automated thus it needs skilled technicians. Transferring this technology to the Third World makes them more dependent on the First World for parts and trained technicians. The steel mills of North America are competitive and 'efficient' for our local needs. This technology is transferable only if it is adapted or transformed to meet the different realities of the Third World. Such a

\textsuperscript{46} Larmer, B. p. 9.
transfer of technology, for example Mexico, has also resulted in a reduction in the number of people employed in the steel mills and killed the existing labour union.

NGO's development projects can involve a transfer of technology. In contrast to the bilateral aid whose forces have been illustrated to be very detrimental to the Third World.\textsuperscript{47} The impact of an NGO transfer of technology is very small and sometimes nonexistent. Since NGOs have a smaller budget they must make do with the indigenous resources available to them. What is often the case, is that NGOs will provide a one time grant or set up a structure whereby the group can obtain self-sufficiency or use a simple technological innovative device. Such was the case in Kenya's Machakos District that has been feeling the effects of a drought. D & P provided a grant of $60,000 to finance the building of water holding tanks that will serve the local needs. These tanks will be built by the local population and will use the water from the roofs of the family houses through a simple piping system to catch and store the water from the rainy season.\textsuperscript{48} The implementation of the innovative technology did not displace any of the local population and has not had any detrimental effects on the population. The only consequence of the reservoir was an increase in the availability of water and a shorter journey by the villagers to obtain this water.

Technology cannot be transferred laterally from the First World to the Third World. Technology that is developed in the First World is created to reflect our reality, i.e. small and skilled labour force. When this technology is transplanted in an environment with different social conditions, i.e. high unemployment and low levels of skill then the Third World is not maximizing its potential comparative advantages. It is not

to their advantage to have this technology.

Although I have portrayed the NGOs as the utopian solution to development, this view can be misleading. In fact, NGO projects like those of governments also have their successes and failures. The big difference between the two is that:

NGO failures are usually small ones compared to the failures of government sponsored, foreign financed projects, and they never leave behind any burden of debt.  

The difference between the two types of aid illustrates why NGOs are more accepted in the Third World. Not all NGOs have the same objectives and the same means for reaching their goal, however, certain characteristics are more prevalent. First of all, NGO projects are smaller undertakings in comparison with the governments or development bank projects. The second element that distinguishes NGOs is their target population for the project. Their population target is the smaller community. These two elements combined have made the NGOs more responsive to the needs of the local population and has won them the approval and recognition necessary to continue working. The government projects have a macro economic objective in altering or creating an infrastructure while the NGOs who have less capital, specialize at the micro level trying to improve the social structure. When governments undertake big projects they often ignore and overlook the interests of the community and the indigenous population. The NGOs also have a faster reaction time than governments, who seem to be plagued by slow moving bureaucracies.

3.7 VOLUNTEERS

Another major characteristic of NGOs apart from their flexibility, is their ability to use volunteers to help them reach their objectives. The relative importance of this source of labour cannot be underestimated in analyzing NGOs. According to the North-South Institute of Ottawa report, about 90% of the people who work for NGOs do so on a volunteer basis. 50 This 90% was obtained from respondents who answered a questionnaire sent to all Canadian registered NGOs with CCIC. The volunteers, like the NGOs, fall into two basic groups. Those volunteers that remain in Canada who try to promote the objectives of the NGO in terms of educating the public or by raising the consciousness of individuals about the issues related to the Third World. This informal education is done through the Public Participation Program sponsored by CIDA. This process occurs when CIDA provides NGOs with money to educate the Canadian public about issues related to the Third World. An example of such an organization is World Interaction in Ottawa. Their objectives reads as follows;

(1) To educate and share information with the community about international development;
(2) To conduct, stimulate and support a wide range of educational activities aimed at increasing community understanding of and involvement in international development and cross-cultural relations;
(3) To create and share educational materials with a developmental or cross-cultural focus and to provide a referral system identifying such materials and resource people available from all sources in the community. 51

The other group of volunteers involved with NGOs are those that are destined for the Third World. The experience and the age of these volunteers vary according to the NGO and the countries of origin. In Canada we have a whole spectrum in terms of experience and age of volunteers. NGOs such as CUSO emphasize cooperator with a more technical experience while other NGOs such as Canada World Youth empha-

size the sending of young inexperienced people to the Third World.

Although Canada does send volunteers overseas to Third World countries, one must also be aware of how they are received in those countries. According to a study done for the World Bank by G. A. Baldwin.

Volunteers? Often they do not find a warm welcome in Africa. Mostly they are "tolerated" as part of a price of getting funded. Oxfam for example, does not use them: when it needs technical expertise, it hires its own technicians (implying understandable mistrust of third party hiring).52

Although the citation indicates that volunteers are 'tolerated' in Africa, one can make the same generalization for most regions of the world. The Third World is not lacking in manpower or in technical ability but in the ability to fund its own development projects by engaging in free trade with the industrial world. There is no denying that every volunteer or cooperator that goes abroad has high aspirations of making a major contribution to development. They perceive themselves to be on a pilgrimage where they can pay their dues to society. After 'suffering' through the ordeal they can claim their 'rightful place' in a middle class society.

Currently, the role and the use of volunteers has been decreasing in relative importance in the administration and coordination of the NGOs.53 Instead of relying on volunteers many NGOs have hired 'professionals' in the field of administration and education. These 'development professionals' are often former volunteers who have spent a considerable amount of time in the field. The use of these career oriented employees has stabilized the role that each NGO plays. According to a study by the North South Institute, based on their sample of respondents, only 9% of all NGOs that responded did not have any paid staff.54 The increasing role of salaried personnel has lead to a

reduction of responsibility on the part of volunteers. This reduced need for volunteers has also lead to a reduction in the number of volunteers in the last decade.\textsuperscript{55} According to a Gallop Poll of the Canadian population, most volunteers prefer to undertake more responsible task within the NGO or to directly get involved in the planning and undertaking of the NGO projects.\textsuperscript{56} Normally the role accorded to volunteers is that of agents who facilitate in fund raising campaings.\textsuperscript{57} Fund raising seems to be one of the primary concerns of NGOs and is a means of utilizing their volunteers. It has also been found that the level of donation provided by the public increases with the number of volunteers working with the NGO.\textsuperscript{58} So one of the drawbacks of the increasing salaried development workers is that volunteers are doing the 'less responsible and meaningful' work. Consequently their numbers are decreasing. The end result is a greater dependance on Government funding to hire people to do work formerly done by the volunteers. Only by giving volunteers more responsibility will their numbers increase thereby also increasing the public support via donations. The volunteer is the link with the community and the key to decreasing the dependency of NGOs on the government for funding.

The other function that volunteers to the third world fulfill is that of liaison or ambassador from the developed world. The experience acquired overseas, the cultural contact and the dialogue that occurs can help make the population of developed countries more sensitive to the needs of the Third World. Volunteers can be looked upon as agents of peace.

\textsuperscript{57} Broadhead, T. p. 81.
\textsuperscript{58} Martin, S. A. p. 207.
3.8 CONCLUSION

In this chapter I have examined the difficulties that exist in trying to define the subject of NGOs. This problem is related to the diversity of interest and the complexity of issues that they deal with. Although the impact of NGOs on a global scale is small they have had a powerful impact at the local level. Some people might consider NGOs as an alternative to government aid because they are closer in responding to the local needs of the population. However, NGOs are not the panacea to development that some would have us believe. They also have had their share of failures, only they are much smaller and do not create debt for the receiving country.

The major component that distinguishes NGO aid from that of government aid is the size of the projects undertaken. There are two reasons why the projects are small. First of all, NGOs do not have sufficient funds to undertake large scale projects. Secondly, they undertake small projects because the target groups are the local people. The megaprojects neglect the small local communities while the NGOs are trying to alter the cause of poverty at the grassroots. It is this characteristic that enables NGOs to be so successful in their objectives and which gives them much praise. What NGOs have done in the field of development has been to inject new blood and new ideas.

With the emergence of the 'professional' in development the role of volunteers has been altered. The other important factor that has lead to a reduction in the number of volunteers has been the funding policy. This has had the impact of eroding the free-

dom and flexibility of the NGO community in Canada.

Although many NGOs have provided a better living standard for the various groups it has come in contact with, the causes of this economic stagnation have not been sufficiently altered to reverse the process. The work that NGOs are undertaking is little more than a drop in the ocean. This drop, however, might be providing the only hope for the Third World.

The work NGOs perform in Canada and abroad varies according to the institution and its objectives. Those organizations that do work abroad can be criticized in that much of the work can be better accomplished by providing the funds to a Third World NGO. Those NGOs that educate the Canadian public can be criticized because they have allowed themselves to become too dependent on government for their survival. If one was to combine these two criticisms one would obtain NGOs that are less dependent on government and who would focus their energy on educating Canadians while supporting the Third World NGOs. This vision would approximate Dom Helder Camara idea of NGOs in the First World. He believes that the NGO’s mission remains at home in altering our consciousness and therefore the existing social economic order.

To verify Dom Helder Camara’s vision of NGOs one must examine the Canadian reality in relation to development. To accomplish this task goal two well known Canadian NGOs will be examined to determine if they have a positive impact on the Third World. The two NGOs that will be examined are the Canadian Organization for Development and Peace and CUSO, formerly Canadian University Services Overseas.
Chapter IV
DEVELOPMENT & PEACE AND CUSO

The international community acts more readily to alleviate human suffering when it is already caused than to eliminate the causes leading to it... Now, more than ever, it is essential that Non-Governmental Organizations should strive to place the issues squarely in the arena at every level of contemporary society.

Sadruddin Aga Khan,
Gilbert Murray Memorial Lecture, 1983

The two NGOs under study are the Canadian Catholic Organization of Development and Peace (D & P) and CUSO. Are these NGOs active in addressing issues that perpetuate the underdevelopment of the Third World? To answer this question one must comprehend why the organizations were created and what purpose they currently serve within Canadian society and abroad. The method of research analysis used will be a socio-historical approach. This method will try to determine the utility of these NGOs as organizations that challenge fundamental assumptions about development. Although these two NGOs are not representative of all Canadian NGOs, they do account for a significant proportion of all NGO activity in development.

To undertake this analysis certain key elements in these two NGOs will be examined. First of all, one must be aware of their objectives as NGOs in the Canadian community. Secondly, one must be cognizant of all aspects of funding including primary sources and expenditures. This funding issue will also include any joint ventures between the Canadian International Development Agency (CIDA) and the NGOs in question. Thirdly, an examination of the decision-making processes used by both
NGOs will be presented in order to determine how each agency decides project funding. Fourthly, this study will examine how project evaluations are accomplished and their objectives. Finally, the role of the volunteer within the organization will be examined. Using these five criteria it is hoped that this study will provide some insight into the functioning of these NGOs in terms of their development efforts abroad and their education regarding the Third World in Canada. To present a more coherent picture of each NGO under study these agencies will be discussed. To begin this analysis of NGOs we will first examine the Canadian Catholic Organization for Development and Peace from a historical perspective.

4.1 CANADIAN CATHOLIC ORGANIZATION FOR DEVELOPMENT AND PEACE

4.1.1 HISTORY OF DEVELOPMENT AND PEACE (D & P)

To comprehend the genesis of D & P, one must look at the history of the Catholic Church as an evolving group of theological institutions, seeking an equilibrium in an ever changing world. It is this evolution in ideas about equality and fairness that has moved the Church closer to the poor and oppressed. This 'rapprochement' between the Church and the masses of the Third World was a gradual process. Vatican II was a contributing factor in injecting democratic principles into the Catholic Church institution. It was also a catalyst for the Canadian Catholic Bishops which made them more aware of the growing disparity between rich and poor nations. After the World Council of Bishops, they came back to Canada with the idea of promoting a new solidarity with the Third World. They sought this solidarity by creating an NGO that would be supported by the Church to promote development projects in the Third World. The
The Bishops' original idea was the creation of an organization that would include all sectors of the Church. The Canadian Catholic Conference (CCC) defined D & P in such a manner so as to leave the organization its own autonomy to decide on its structure, politics and orientation.²

Although CCC does not dictate limits on D & P activity, it acts in a consultative fashion. Thus, CCC does re-evaluate the goals and objectives of D & P to ensure that it operates within the established parameters. Meetings between D & P and the CCC have occurred periodically in an effort to maintain a permanent link between the two organizations. This permanent link has been achieved by appointing two Bishops to the National Council. The National Council is an executive body that "manages the affairs of the organization through by-laws or resolutions to attain its objectives."³

There are also annual meetings between the executive committees of D & P and the executive of CCC.⁴ Although a constant interaction exists between the two organizations, D & P does not consider itself to be a part of the Church. D & P does, however, remain accountable to CCC and to its own volunteer members who are engaged in educating the Canadian Public and in the decision-making process. But the onus for education and for fostering and approving development projects remains at the local level. The Bishops have provided a framework and the tools, but it is the volunteers

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who must decide how D & P will function. Education about the Third World is done by regional coordinators and by the members themselves. Needless to say, this work was not done in a vacuum but in collaboration with other religious organizations such as Share Lent, Ten Days and many other NGOs. 5

The second objective of D & P, is to foster socio-economic development in the Third World. This has been achieved by financing projects that attack the cause of underdevelopment. Almost 80% of its total budget is spent on projects. In 1983-84 $10.2 million was spent on 537 projects. In 1988-89 D & P spent $14.7 million on 599 projects. 6 These funds go directly to altering the causes of underdevelopment. No funds are spent on income for volunteers or cooperants abroad. 7

On a local scale D & P has advantages such as their broad base of support that exists throughout the Church which provide them with an assured source of funding. The Church is also an international institution that exists in almost every country. Since the Church exists in the four corners of the earth, it has access to information and a ready clientele in need of development projects. An example of this international networking is the creation of international CARITAS:

(Confédération internationale d'organismes catholiques d'action charitale et sociales) Founded 1965 Rome. The aim of the CARITAS is to bring together Catholic development organization located in Europe and North America, facilitating reflection, coordination and exchange of information among them. 8


The CARITAS coordinate world relief for such disasters as the Guatemalan earthquake (1976), the Indo-Chinese refugee situation situation (1979), and the drought in Ethiopia (1985). Another distinguishing feature that separates D & P from other NGOs is its abundance of partners in the Third World. These other partners have benefited from the link with the Catholic Church. The extent of the benefit derived from this link is debatable. According to a study done by Maheu Noissue & Compagnie:

D & P définit les Eglises locales du Tiers Monde comme ses partenaires privilégiés. Les critères généraux ou exigences de partenariat qui s’appliquent à tous, s’appliquent de la même façon aux Eglises: vision commune du développement, même analyse des situations et réalités, possibilités d’échange et de dialogue, collaboration réciproque. Plusieurs Eglises accusent des groupes chrétiens et organismes d’Eglise collaborent avec l’OCCD, et une grande partie des projets approuvés se destine à des Eglises ou groupes d’Eglises.

Although all project proposals are subjected to the same criteria for selection and approval, the Third World religious community groups have one advantage; they have knowledge about the existence of D & P through the Catholic Church. The source of the demand for projects, however, does not alter the selection criteria. Any group from a Third World country can apply to have a project funding. If it does not meet the criteria as set out by D & P then the project is either passed on to another organization or discontinued. Unfortunately, the demand for projects is much greater than the supply of funds. Projects that originate from religious organizations outnumber project proposals from non-religious groups making similar requests. Thus the majority of projects approved originate from religious based groups.

To highlight the extent of the Church’s involvement in the Third World we will examine the case of Brazil. In 1989, the Catholic Church became very involved in supporting candidates in the first Brazilian election held in 29 years. This change in Bra-

zil’s status quo has come about because the Church was one of the few refuges available during the military repression. Currently priest, nuns, and monks have worked side by side with the workers’ party to change the lives of Brazil’s poor.

The idea of political action for social change took root in the Catholic Church in 1968. Before that, the Church in Brazil often declared its support for candidates unlikely to disturb the status quo. Today, most of Brazil’s 374 bishops are “apparently in favor of the people and progressive forces” says a São Paulo priest, who estimates there are only 20 hard-core conservatives among the bishops.11

In its active involvement with the poor and the oppressed, the Church perceived its role as empowering the lower class by helping them to make political choices that would increase their autonomy. The Church claimed that the ideal electoral candidate should support “urban and rural land reform, defend measures to ensure business and social reform, and order a public audit of the foreign debt.”12 The Church has also mobilized its supporters into neighbourhoods called Ecclesiastical Based Communities (CEB). Currently there exists 80,000 to 100,000 CEB in Brazil. These CEB analyze their situation politically, economically and socially. This level of social involvement by the Church has lead to the creation of an indigenous theology that reflects the basic needs of the people.

This theology has indeed been transformed over the years to suit the needs of the Third World population. This transformation of Third World Christianity into a theology that represents the interests of the poor has been labeled ‘liberation theology’.

When we speak about liberation we are not referring exclusively to political liberation; we are speaking about total liberation, in the first place liberation from sin but also liberation as regards to different dimensions of the human person such as liberation from social injustice.13

The demands for development projects can and do originate from such progressive Catholic communities. There is never any shortage of project proposals originating from the religious communities of the Third World. The Church has become an active agent involved in development of their people. The claim that D & P is only looking out for its own people is partly true. It is true that many project proposals for D & P come from parishes of the Third World and that many are approved. Approval is conditional only on the project meeting the established criteria. The demand for projects outweigh the existing supply of funds. Therefore, one should not be surprised if the majority of projects that are approved for funding originate from within the Catholic Church. Every group that submits a proposal has an equal chance. The majority of proposals however, originate from the Church itself. The imbalance comes from the demand side of the equation.

The transformation in the Third World theology has been instrumental in modifying the theology of the First World Church. The creation of the Canadian Catholic Organization for Development and Peace, which stipulates in its charter an emphasis on "the service of all men without distinction of race, belief or ideology,"\textsuperscript{14} is one example of the Church's evolution. This organization 'within the Church' has as an objective the creation of an organization dedicated to international co-operation for the socio-economic development of poor countries.\textsuperscript{15} D & P action in the Third World helps the indigenous population by making them responsible for submitting and realizing their projects. This empowering of the indigenous population is the first step towards making a people more autonomous. The criteria by which these principles have been accomplished are as follows:

-projects which attack the causes of underdevelopment rather than their symptoms or consequences;
-projects presented by grassroots groups, local people, institutions or movement which truly represent the people; or groups which provide training or coordination;
-projects which give witness to people assuming their own development; the active participation of the population is necessary;
-projects where those involved make their own contribution in the form of work, money or otherwise;\textsuperscript{16}

These principles were created by the volunteers and members of the organization. Within these four points reside the framework for the decision making process concerning project approval by the organization. This approach encourages those seeking D & P funding to present project proposals that are in keeping with the best interests of Third World communities. To comprehend what D & P considers ‘in the best interest of the Third World’, one must have a clear understanding of its operating principles.

4.1.2 OBJECTIVES OF DEVELOPMENT AND PEACE

D & P’s objectives are best understood through an examination of their Orientation and Priorities guide.

In principle, Development and Peace gives preference to projects for socio-economic development with the following characteristics:
-projects which support efforts to eliminate the causes rather than the symptoms of under-development;
-projects whose beneficiaries contribute in proportion to their means, whether through work, money, or otherwise;
-projects which involve or stimulate active participation by the local population;
-projects which can presumably sustain themselves after a reasonable initial period of assistance;
-projects which neighbouring communities in the area can copy using their own means;
-projects with high priority from the point of view of the development of the region or country involved.\textsuperscript{17}

\textsuperscript{16} Canadian Catholic Organization for Development and Peace. \emph{Basic Principles and Orientation} Toronto. p. 16-17.
\textsuperscript{17} Canadian Catholic Organization for Development and Peace. Orientations and Priorities Canadian Catholic Organization for Development and Peace.
To begin to understand how D & P operates within these objectives one must have an idea of the type of projects this NGO is willing to undertake. The following is a list of the types of projects that D & P seeks involvement with:

-projects, efforts and initiatives of peoples and grassroots groups which aim at improving their conditions of life in whichever sector appears to them as a priority (health, agriculture, formation, production, etc.) and who want thus to take into their own hands their plans for their lives and society;
-projects of groups or organizations which in the service of local people work for the formation of persons and groups providing information or coordination of groups and projects with the purpose of having a greater impact at the regional or national level;
-human rights are an essential condition for the integral development described above. The promotion of human rights is an aspect of development in that it constitutes a change or an improvement in the conditions of life and an effort at suppressing the causes of underdevelopment; in human rights projects Development and Peace will give priority to collective rights (e.g. native rights, workers' rights, etc.) rather than the rights of individuals.

Indeed, development as so defined by the organization will include the movements and efforts of peoples to liberate themselves from every form of oppression; true development cannot indeed be understood without this support for liberation because "(any development program) exists to reduce inequalities, fight discrimination, liberate mankind from servitude". Development and Peace will favor just and non-violent methods in these projects.18

The type of projects that D & P will finance are those that only seek the cause of underdevelopment. In this definition of target group, one also finds a definition of the collective right. This broad definition of a target group is considered very radical. CIDA does not address the collective right of individuals in their definition of a target group.

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4.1.3 FUNDING

D & P's affiliation with the Canadian Catholic Church has provided the NGO with an assured source of funding. The arms-length relationship that exists between the Catholic Church and D & P has provided the organization with solid basis for volunteer support. This broad base of support encompasses 4,000 members and 40,000 volunteers. D & P has obtained a certain degree of independence from government funding because of their large number of volunteers and members. The relationship between financial security and the number of volunteers is positive. When the number of volunteers that belong to an organization is very large one obtains greater financial security and subsequently less financial dependency on the Canadian International Development Agency (CIDA). As the number of volunteers increases there is greater financial support from this group. In fact, D & P has an internal policy which stipulates that no one source of funding can exceed 50% of its total income for any given year. This ceiling allows this NGO to maintain a certain degree of independence from government policy. This freedom has allowed D & P, on occasion, to refuse funds from CIDA. Thus, we have an NGO that has obtained a certain degree of independence from any one source of income, including CIDA. D & P is also insistent that the joint projects with CIDA should not exceed a 3:1 funding ratio. The maximum allowable under CIDA regulations is a 4:1 ratio.

The issue of block funding has been a relatively new concept for D & P. Block funding is a concept whereby an NGO makes an application to obtain funding for a number of consecutive years usually (5 years). This effectively liberates the NGO from applying for funds on an annual basis and allows the organization to engage in long term planning. To obtain block funding D & P had to first of all submit itself to an

20. Interview with Michel Rousseau project director at D & P.
external appraisal by an independent contractor. This independent evaluation was then submitted to CIDA who accepted the findings by Mahec and Noisieux. Only after this appraisal was CIDA willing to undertake block funding. This type of evaluation will be undertaken again in 1991 according to Michel Rousseau, Project Director of D & p. However, block funding is not an assured guarantee that the proposed sum of funds will be available after the five year period has expired. Budget cuts at CIDA can alter the expected funds available to all NGOs.

D & P, like many other NGOs, has been involved in a 'country focus' project with CIDA. Currently D & P has but one project with CIDA that is starting its second phase. The project is in Senegal and has as an objective the creation of an autonomous people. According to the 'country focus' philosophy of development, one must increase the level of income to improve the living standards of a given population. This increase in income level is a direct function of productivity. Secondly, a higher production level will lead to a higher output, which in turn will lead to commercialization. This economic model states that income levels are a function of productivity. This is a simplistic explanation of Third World reality. Income is a function of supply and demand for the goods and services that are produced. Sugar cane fields produce a large quantity of sugar. The work is very hard yet income does not reflect the toil and sweat involved in harvesting this crop. The lack of equity in this situation is mind boggling when one considers that North American professional baseball players are provided with a minimum salary of one million dollars per year.

Another myth is that higher output leads to increased commercialization and autonomy. People that live within commercialized economies are dependent on each other for survival. Engaging in world trade to achieve autonomy is a contradiction in

terms. World trade is based on the concept of comparative advantage that each nation has in producing a 'widget' *. An increase in world trade would lead to an increasing dependency on other countries for trade. The objective of 'country focus' is to increase the autonomy of a region through world trade. The world market economy knows no mercy or compassion when it comes to fixing the price of commodities produced in the Third World.

Within all integrated regional projects (country focus) there exist a certain division of labour. While using this approach to development, D & P deals with l'Office Africain pour le Développement et la Coopération (OFADEC) and of course CIDA. According to D & P officials, CIDA provides 10/11 of the ratio of funds while D & P provides 1/11 of the ratio of total funds. OFADEC has the responsibility of the ground work within the project setting. The responsibilities of each party is spelled out by a contractual agreement signed by all parties involved. This project is a long term commitment which involves a large amount of capital from CIDA. The project does, however, involve some compromise by all parties. To what extent is D & P being altered in its original mandate as set out by the Canadian Catholic Bishops? Would this project be approved by D & P on its own merit? Could CIDA work directly with OFADEC instead of going through D & P? One must also acknowledge that CIDA must have altered its development strategy when it became involved with D & P for this particular project.

CIDA’s contribution of funds to D & P is proportionally based on the amount of funds generated by D & P during their annual Share Lent Campaign. As far as emergency aid is concerned, D & P has allocated 10% of its funds for this purpose. However it can, on the basis of an international emergency, increase the sum up to 20% as

* The term 'WIDGET' is an economic term that describes a unit of production, a commodity, or a service.
in the case of the drought in Ethiopia. To administer this emergency aid D & P goes through the Confederation Internationale D'Organismes Catholiques d’Action Charitable et Sociales (CARITAS). This international organization administers emergency relief on behalf of all groups affiliated with the Catholic Church of the industrialized world. Another segment of the resources raised goes to the Asia Partnership for Human Development. This organization implements projects in the Asian countries on behalf of D & P and other NGOs of the First World. This Asian partnership which administers projects in Asia enables D & P to specialize in other geographical regions of the Third World. Another fixed amount of resources is devoted to the administration of the NGO. In 1982 the organization allocated 8% of its total revenues to administration. By 1988-89 D & P had increased this allocation to 10 percent. D & P has also set aside 14% of its total revenue for development education. This public education is administered through the Public Participation Program (PPP) to which CIDA provides matching grants. This public education is supervised by local coordinators and has the objective of informing the Canadian public about Third World issues.

4.1.4 DECISION MAKING PROCESS

Every NGO has its own unique method for deciding what projects will be approved or refused. For D & P, the decision making process can be divided into four phases. The first phase can be subdivided into two stages. Firstly every project is submitted in writing to the head office in Montreal. From this office we obtain the initial

22. Maheu, & Noisieux. p. 11.
tration that eliminates about 50% of all applications. A refused application can occur because the project is not representing the interest of the common people, or the project is not seeking a solution to the cause of underdevelopment. After the initial selection is done, a project-file is opened up on every project that looks feasible in terms of satisfying the objective as defined by D & P. Second, the project-file is sent to an expert in the field who might have some knowledge about the group making the application for project funding.

In the second phase, the project-file is examined by a selection committee that can approve, seek more information or refuse the project. At this stage, all projects that have a monetary value less than ten thousand dollars filter through a subcommittee for approval or refusal. All projects that exceed ten thousand dollars go on to the next phase.

Between the second and the third phase of the project-file evaluation confirmation is sought in the country of origin by associates of D & p. This informal investigation is undertaken to ensure that the demands made are legitimate. The project-file can also be referred to an expert in the field of development who currently resides in Canada.

The third phase in the decision making process is when the selection committee is broken up by geographical region to study the project demands. Here again, the project-file can be refused, approved or sent back to obtain more information.

The selection committee is composed of elected members representative of every region in Canada having an active diocesan council engaged in development work. Only the initial triage of project applications is processed by the head office in Montreal. The executive committee that makes the final decision is composed of several members including the President, Vice-President, Secretary and Treasurer. There is
also a chairperson and two representative of the Canadian Conference of Catholic Bishops. The council is composed of elected members from the volunteers of D & P.

The decision making process involves a number of checks and balances to screen out inappropriate project applications. Applications that qualify as legitimate projects are those which seek to remedy the cause of poverty, not merely the symptoms. The elected volunteers that make up the selection committee make the decision on the project-file. This active participation is done by individuals who are elected from the 40,000 volunteers. With D & P it is the volunteers who decide which projects will be undertaken and not the 'professionals' in development.

At the last phase in the decision making process, the project-file filters down from the geographical selection committee to the executive committee. The executive committee makes the final decision about approval or refusal of every project. This committee operates in a democratic fashion. At this stage very few recommendations for approval are ever refused.

4.1.5 PROJECT EVALUATION

The objective of a project evaluation is to determine whether plans have been effectively implemented and to take the appropriate steps to correct unfavourable situations (if any) so that objectives can be realized. In completing an evaluation the following procedures have been identified:

1. Establish performance indicators
2. Determine performance standards
3. Measure performance
4. Analyze variations
5. Take corrective action to resolve any unfavorable situation that may arise.

This evaluation process was designed for a profit seeking business. Although D & P is a non-profit charitable institution, should its evaluations have the same objective as a business venture?

Evaluation of projects is considered a very expensive proposition by many NGOs. NGOs claim that money spent on evaluation could be spent on doing other projects, which is their prime objective for functioning. The financial constraint of NGOs will often dictate the type of evaluation used by the organization. For D & P, this financial restraint has produced a unique approach to this problem. D & P has evaluations done every three years on a group of projects within a specific region or country. These evaluations have three objectives. First of all, the evaluation looks at a sample of projects to measure the socio-economic impact. Secondly, it indicates the developmental orientation of the project and if any change of focus is required. Thirdly, it formulates a long term objective for the region under evaluation. This whole process is done by indigenous groups, organizations, and consultants residing in the host country. An example of such a project evaluation is the Chilean experience that was undertaken by D & P in 1989.

A partir du séminaire de décembre 1987, le processus acquiert des dimensions nouvelles. Ce qui se voulait au départ une "évaluation" devient un dialogue plus vaste avec partenaires et responsables de projets du Chili, dialogue sur des questions plus fondamentales et plus vastes:

-définition pour le Chili de priorités d'action des ONG et des Organisations sociales, lignes programmatoires, orientation;

-relation ONG-mouvement social ou populaire;

-relation entre D & P et groupes de Chili et toute la question de partenariat, incluant les liens avec les secteurs d'éducation de D & P;

-mécanismes de partage des décisions, en particulier par un fonds décentralisé pour petits projets;

-et bien sûr demeure l'idée d'évaluation qui devient une évaluation participative (auto-évaluation des groupes et program avec input externe) et plus systématique et program.
La séminaire réalisé en décembre 1988 regroupait 6 personnes de D & P, 2 du Service des Projets, 2 des secteurs d'éducation, et 2 membres du Comité de sélection avec les représentants d'une vingtaine d'ONG et groupes du Chili. Ce séminaire définit le travail à accomplir dans les divers items mentionnés ci-haut.29

Project evaluation by D & P incorporate a broad set of objectives and goals. It is a multi purpose approach that makes new contacts and helps to redefine the goals and objectives of D & P. This evaluation is time consuming, (about six months to one year) but it does provide several other benefits.

As a result of this evaluation, D & P has increased its network of contacts and associates in Chile. It has redefined its objectives and goals within the country, and it has confirmed its commitment to working at solving the cause of underdevelopment as defined by the recipients of Third World aid projects. The evaluation involves the whole development community whereby everyone participates equally in the evaluation. This evaluation process is done simultaneously with the on going projects. All these attributes are a direct result of the evaluation process which could not be attained by using a Canadian national overseas or by analyzing development from a micro perspective, i.e. one project.

4.1.6 VOLUNTEERS

D & P has volunteers involved in the education of the Canadian public and in the decision making process concerning approval of projects. These volunteers are aware that they are not going to do any work abroad. The majority of volunteers and members are involved with D & P for spiritual and social reasons. The role that the volunteers undertake within the organization are as follows:

to inform and to be informed about the Third World on the causes of underdevelopment;
to circulate information within their own milieu, to sensitize people, to develop a critical conscience towards the Third World; this work will be done especially through the major campaigns of the organization, but also with the support of kits and actions of short-term and immediate interest to the milieu or region;
to develop solidarity with the Third World through concrete action and also among Canadians on questions related to the Third World;
to express this solidarity through the promotion of campaigns for fundraising by the organization.30

The volunteers that fulfill these objectives do not restrict themselves to the Church environment. The objectives of volunteers is that of promoting active international solidarity with the Canadian population.

What D & P has accomplished has been to maintain the essential link with its (40,000) volunteers by sharing power in the decision making process and by stressing an active participatory model. This might account for the large number of volunteers that remain with D & P. However, one can also argue that the large number of volunteers is more of a consequence of D & P relationship with the Church. Regardless of the reason, D & P has a large constituency that remains a strong support structure in making this NGO function.

4.1.7 CONCLUSION

This section has examined certain key features of the Canadian Catholic Organization for Development and Peace using a socio-historical approach. From this analysis of D & P one can perceive that it does actively promote development in the Third World and education about Third World issues in Canada.

The major component which distinguishes D & P from other NGOs is that their financial support is provided through the annual Share Lent campaign sponsored by the Canadian Catholic Church. This active financial support enables D & P to remain more financially independent of CIDA than most other Canadian NGOs. The volunteers at D & P have contributed to the success of their NGO by promoting grassroots development abroad and public education about the Third World in Canada.

D & P is just one example of the many religious based NGOs that have emerged on the world scene in the domain of development. To understand the totality of what religious based NGOs are doing would be a subject for further analysis. D & P is one out of many Canadian NGOs devoted to work in the field of development.

4.2 CUSO

4.2.1 HISTORY OF CUSO

The idea of sending volunteers overseas to provide services has existed within western culture since the 1920's. Evidence of this spirit of international co-operation is illustrated by the Swiss pacifist Pierre Caresol who founded the International Red Cross.\textsuperscript{31} This type of international co-operation was taken up by a number of Church sponsored agencies who sent people overseas for both long and short periods.\textsuperscript{32} The first secular volunteer service to work under local conditions was the National Union of Australian Universities (1952). In 1958, New Zealand started up a similar programme. The Americans soon joined this movement with several organizations of their own: International Voluntary Service (1953), Volunteers for International Development (1957), and Voluntary International Service Assignments (1961).\textsuperscript{33} In 1958, the Com-

\textsuperscript{31} McWhinney, D. \textit{Man Deserves Man: CUSO in Developing Countries}. The Ryerson Press. Toronto. 1968, p. 445.

\textsuperscript{32} McWhinney, D. p. 455.

\textsuperscript{33} McWhinney, D. p. 455.
monwealth created the Voluntary Service Overseas which had a direct impact on Canada. The Peace Corps in the USA was the first agency to be financed entirely by the government. While CUSO (1961) predated the Peace Corps, there has always been close consultation and cooperation between the two organizations.34

The emergence of CUSO (Canadian University Service Overseas) as an agency promoting Third World development has its origins in other similar organizations. In 1961, CUSO emerged as a clearing house that tried to co-ordinate the many overlapping volunteer organizations throughout Canada. CUSO was the end result of a merger of such institutions as World University Service of Canada (WUSC), the Quakers, the Student Christian Movement, Canadian Overseas Volunteers (1963) and the Canadian Voluntary Commonwealth Service (1964).35 The creation of CUSO was seen as a means of achieving a single coherent policy to deal with volunteers going abroad. In the first year of operation Lewis Perinbam from the Canadian High Commission for UNESCO in Ottawa coordinated CUSO from his office at UNESCO.36 In 1962, CUSO’s allegiance shifted to the Association of Universities and Colleges of Canada (AUCC).37 This move placed CUSO more firmly in the University milieu for administrative support because their volunteers originated from Universities.38

What began as a volunteer organization in the 1960’s had become by the 1970’s a giant among Canadian NGOs. As CUSO grew in size it became more specialized and moved further away from its original goals.39 In the 1980’s it became an organization that actively recruited cooperants. In 1981, the organization became officially known for its acronym “CUSO”. This further removed CUSO from its University background

36. Smillie, I. p. 15.
37. Smillie, I. p. 22.
38. Smillie, I. p. 23.
making it a professional NGO that no longer worked with volunteers. It is an NGO that actively posts experienced cooperants abroad. Although the split with the universities is official, there exists, to this day, CUSO offices on many university campuses. This lasting relationship has proven beneficial for the universities by providing them with an open window on the developing world, and for CUSO by saving on the financial cost of relocating their offices. Currently CUSO has about 700 Canadian staff, cooperants, and locally engaged staff in Third World countries.40

In 1965, the government set up an umbrella organization, the Company of Young Canadians (CYC), to oversee the implementation of grants from the federal government for agencies involved in the volunteer sector both at home and abroad. Under the terms of the act CYC had the following objectives.

To support, to encourage and develop programmes for social economic and community development in Canada or abroad through voluntary Service.41

CUSO did not like the idea of an upcoming merger between CYC and CUSO. CUSO stopped this merger by getting the Association of Universities and Colleges to threaten to make CYC pay for all the services it had obtained free if the merger was approved.42 CUSO also did not like the idea of playing second fiddle to CYC and objected to the whole concept of being tied to another NGO to obtain funding. It wanted a direct liaison with the government without having to consult with another organization.

CUSO's genesis in English Canada also coincided with the creation of a French equivalent in Quebec. The relationship that prevailed between the French and English sections of CUSO / SUCO (Service Universitaire Canadian Outremer) could have

42. Smillic, I. p. 260.
been described as antagonistic. This rocky relationship culminated in the splitting of
the organization. The relationship between the French and English section of CUSO
can best be understood by analyzing the socio-economic elements of the time. SUCO
emerged on the Quebec scene during the Quiet Revolution. This fact alone can
explain its more radical stand on development and its desire to affiliate with the more
revolutionary elements within society both abroad and in Canada. An example of this
alternative view of Canada was the creation of a SU CO poster: "A large poster fea-
tures maps of Angola and Quebec prominently joined by the word 'LIBRE'." These
elements, in combination with the language barrier and the differences in style, made
the partnership between the French and English sections of CUSO/SUCO almost
impossible. SU CO complained that they were a minority voice at the Annual Gener-
al Meeting and that they had to submit their request for annual funds with the CUSO's
submission to CIDA. Taken in the context of the French and English clash on the
issue of sovereignty, the confrontation within the NGO became inevitable. This ten-
sion between the French and English sections lasted almost ten years. In 1980, the
official split between the two bodies occurred. The resolution to create two separate
NGOs was passed unanimously. On March 31 1984, SU CO ceased to exist as an
NGO. CIDA announced that the former NGO would no longer receive funding. In
cutting these funds the government cited the motivating factors as:

the growing deficit, a thirty percent shortfall in placement in 1982 and
1983, and a breakdown in financial control and reporting since the
departure of the finance director in 1982.46

43. Smillie, I. p. 292.
44. Smillie, I. p. 289.
45. Smillie, I. p. 305.
46. Smillie, I. p. 308.
4.2.2 OBJECTIVES OF CUSO

CUSO's operating principles are as follows:

To direct its activities, and to emphasize and strengthen support for its overseas programmes, CUSO will:
1. Respond according to its ability to the needs of disadvantaged groups working towards their self-reliance;
2. Promote activities leading to understanding of and action on the causes of inequitable development;
3. Promote positive change in Canadian development policies and practices;
4. Strive to increase its programme autonomy;
5. Increase host-national participation in decision-making;
6. Ensure the maximum use of local resources in programmes;
7. Promote co-operation with other groups with similar goals;
8. Assess the long-term implication of its plans and actions.47

To accomplish this objective it operates in the following fashion;

CUSO is a Canadian agency which works with Third World community groups. It aims to improve the lives of the poor and powerless such as peasant farmer, poor women, the landless and slum-dwellers by:
sharing technical skills through the placement of volunteer-workers (known as cooperants)
obtaining funds for development projects and forming partnerships between people in Canada and the Third World.48

In the CUSO development charter we find the following definition of development.

Whereas Development includes the freeing of people from poverty, illiteracy and disease as well as from constraints which inhibit their pursuit of dignity and equality;
Whereas Development means that individuals have control over their own destiny;
Whereas international peace, understanding and development require a recognition of the independence of nations and of the need for an equitable division of the world's resources;
And, whereas CUSO aims to participate in the global struggle for equitable development, human progress and justice.49

Therefore, members of CUSO commit themselves;

47. CUSO. Our Strength is People Working Together. (Pamphlet) CUSO. Ottawa.
48. CUSO. Our Strength is People Working Together. (Pamphlet) CUSO. Ottawa.
49. CUSO. Our Strength is People Working Together. (Pamphlet) CUSO. Ottawa.
1. To increase their awareness of the causes of inequitable development and to support programmes designed to eliminate these inequities.
2. To recognize that involvement in the development process can embrace both service in another country and action at home.
3. By their lifestyle and work to reflect sensitivity and respect for different values and cultures.
4. To recognize that element in their own country may be involved in the exploitation of other peoples.
5. To support all people who seek to strengthen their country's social, economic and political development in a manner consistent with the United Nations' Universal Declaration of Human Rights.  

CUSO is a Canadian NGO whose objective is that of helping the citizens of the Third World by sending cooperants abroad to share their technical skills. This aid should help the Third World in its struggle to decrease the technical disparity between the First and the Third World. It also defines its clientele to be consistent with the United Nations charter on Human Rights, i.e. individual rights.

4.2.3 FUNDING

CUSO can be credited as being the agency that opened the door to government funding for all Canadian NGOs. Before 1961, the Federal Government had no means of providing funds to NGOs. The government felt that providing funds to one group would set a precedent that would force the government to provide funding to all other similar organizations. It was clear from the onset that CUSO could not survive from contributions donated by the private sector. It was sending volunteers to Third World countries and providing them with free transportation and a token sum of income. CUSO, however, did receive some support provided by the universities in terms of free accommodation and secretarial assistance. In 1963, no formal mechanism to provide federal financial support existed for NGOs, but a verbal agreement to provide help for CUSO from the government was transformed into volunteers going overseas via the

50. CUSO. Our Strength is People Working Together. (Pamphlet) CUSO. Ottawa.  
51. Smillie, J. p. 255.
Royal Canadian Air Force. 52 Financial support finally materialized in 1965 as a result of some ministerial rivalry. A precedent was established in 1965 and CUSO wanted to institutionalize this lump sum contribution. By 1965 CUSO’s demand for volunteer placement had increased to one thousand persons per year. 53 The demand for placements abroad had been increasing steadily and the government was made aware of the fact with a brief submitted to the Secretary of State for External Affairs in February of 1965. 54 The first cash payment to CUSO was in 1965.

With $500,000 allowing the organization to send 250 volunteers. Further support would contribute to a growth in numbers over the following three of four years, by which time 500 volunteers would be dispatched annually, and a thousand maintained in the field. 55

The Canadian International Development Agency (CIDA) funding policy is tied to the number of volunteers CUSO places overseas.

The relationship between CUSO and CIDA is based on a contract to send 535 cooperator person years in the field each year and to place a number of new coopers each year. When CUSO fulfills this quota it obtains the full funding from CIDA. However, a shortfall of more than 5 percent (5%) in reaching the project placement target and person-years in the field shall be subject to a pro-rata reduction of: $13,625.00 in 1985. 56

CUSO has acquired a special privilege at CIDA in not being restricted to the matching formula. Most Canadian NGOs can obtain funding from CIDA only if they can demonstrate community support for the organization. Community support is demonstrated by cash donation to the NGO. CUSO was the first NGO to receive funding from the government. Thus, it set the precedent for other NGOs to obtain funding. However, at best, all the other NGOs must show that there exists public support for

52. Smillie, I. p. 257.
55. Smillie, I. p. 258.
their organization before CIDA will support them. CUSO has been the exception to this rule.

Funding has always been a contentious issue at CUSO. From its genesis in 1961, it has always been a tenuous issue with the Federal Government. The reason for this is because CUSO has never been able to raise enough funds privately to meet the demand for placement abroad. This dependency on outside sources has made funding a controversial issue. Technically speaking, the NGOs can be considered part of Canadian foreign policy, since CIDA is under the authority of External Affairs. If CUSO's direction departs from the 'accepted' ideological currents of External Affairs then should it be expected to fall in line because of its dependency on government funding. It should be noted that the total CIDA budget on all International Non Governmental Organization, in 1977, (INGO) is $243 million or 9.5% of the total budget.57

In 1980, at the height of the Reagan administration's war on communism, CUSO had a falling out with CIDA concerning the funding of projects in Cuba. CIDA objected to CUSO support of projects in Cuba because Cuba was maintaining 50,000 troops in Africa (Angola). CIDA saw little sense in spending Canadian money to help Cuba given their on-going activities in Angola.58 The CUSO project refused by CIDA was the purchase of frozen boar semen to improve the genetic quality of Cuban pigs.59 The link between the 'communist threat' and the frozen boar semen seems tenuous at best. Was Canada afraid that some pigs in Cuba would declare dual citizenship because of the origin of the semen? Why should the Canadian government object to the spread of our genetic boar pool to the Third World? One can only hypothesize that External

58. Smillie, I. p. 156.
Affairs was concerned that the impact of such a program could result in having Cuban pigs resemble Canadian pigs in the long run. This would definitely jeopardize all sovereignty in the Canadian pork market.

The issue of funding has plagued CUSO from day one and continues until today. The former Director of CUSO, Ian Smillie, contends that CUSO has obtained 90% of its budget from CIDA while most organizations are restricted by match funding.\textsuperscript{60} The funding scenario has not altered. In 1988, 84% of CUSO total funds originated from CIDA. The remaining 14% of its allocation came from a combination of private and provincial match funding from the three prairie provinces.\textsuperscript{61} The absolute level of government support can be said to be much higher than 84%, since funding from the provinces is designated under the heading "donations and contributions from other agencies".\textsuperscript{62} Similar percentages can be found for the preceding year. How independent can CUSO consider itself to be from CIDA? How convinced can we be by assurances that "CUSO is essentially free from any serious charges of being an arm of Canada's foreign policy."\textsuperscript{63}

Has CUSO acted in an autonomous fashion in the field of development? Some people have described CUSO as the flagship of NGOs.\textsuperscript{64} One cannot help but question its relationship of total dependency on CIDA. This total dependency can be considered a major problem if CUSO is compromising its objectives as an NGO to secure funding. We have seen that CIDA can veto projects from CUSO. However, does CUSO have the same power to alter CIDA's vision of development? CUSO undertakes the majority of its joint projects with CIDA. This collaboration between CUSO

\begin{itemize}
\item \textsuperscript{60} Smillie, I. p. 265.
\item \textsuperscript{61} CUSO. \textit{Annual Report 1988-1989} Ottawa. p. 2.
\item \textsuperscript{63} McWhinney, D. p. 21.
\item \textsuperscript{64} Smillie, I. p. 264.
\end{itemize}
and CIDA implies that some compromise must exist between the two visions of development.

Another element of funding that CUSO has embarked upon has been that of block funding. In this scenario the NGO applies for funding that will extend over a period of years. If accepted the NGO can engage in long term planning without the burden of uncertainty about its future. Approval of block funding ensures a continuous flow of funding in exchange for information on a biannual basis. In this setting it is the NGO that approaches CIDA about possible block funding for the fixed period.

Country focus program is another means by which NGOs can obtain more funding. In this scenario CIDA becomes an active partner with CUSO in the financing the operations of a broad project. The ratio of funding for such a project is 10:1 or 11:1. This high ratio of funds implies that a large amount of capital will be invested. An example of such a project is the Mozambique Community Based Food Production Project. The goal of such a project was to stimulate production among the most economically fragile sectors of the rural population, the poor, the peasantry. The guiding principles for this country focus project were the following:

- To provide material support for agricultural cooperatives through direct provisions of means of production not available on the local market (tools, seeds, other inputs) which will permit them to increase their level of production and productivity.
- To provide material support to small rural industries that produce other means of production, such as ox carts and lime, which can be made available to the peasantry at accessible prices, or consumer goods such as salt, which will stimulate local commerce and encourage peasants to sell their surpluses.
- To provide support for the repair of mills for the processing of peasant produced cereals in the districts where they are produced. This is a vital link in the production sale distribution chain and will enable peasants to secure higher prices for their marketed cereals, which in turn acts as a stimulus to increased production.
- To provide means of transport. The shortage of vehicles in the country side is one of the chief bottlenecks in the rural economy. Many agricultural production cooperatives fail because they are unable to transport

their surplus to local markets.
- To provide support for seminars and training activities aimed at strengthening the project holders capacity to manage their projects.66

The objective of this integrated project was the development of the local economy to produce commodities for export. Although the inflow of capital is badly needed and the rural population is 'better off' in terms of producing a greater quantity, the question remains as to whether this new 'western' infrastructure has altered the existing problem of the distribution of wealth.

4.2.4 DECISION MAKING PROCESS

The process of decision making has undergone a radical change since CUSO's genesis in 1961. Initially the power to decide the fate of projects was wielded by the central offices in Canada. In the 1970's this process was challenged by foreign cooperants who wanted some input into the decision making process. Thus, the decision making process gradually changed from a highly centralized structure into a decentralized structure as more and more cooperants demanded some input in deciding the fate of projects. During the 1970's unstable relations with SUCO and CUSO were diverting most of the time and energy of the central administration from projects leaving the cooperants some leeway to synthesize their objectives.

When decentralized decision making was approved it was seen as empowering the field staff, the cooperants and the local groups abroad. Today, the group that makes the decision in the field is the Country Advisory Committee. This committee is composed of delegates from the local NGO, representatives of the local government, members of local organizations, people that have worked with CUSO projects, and village representatives. This local committee is a grassroots organization that acts as a advi-

sory body for CUSO. The advisory body has a broad mandate that includes: political analysis, establishing a common framework, and setting up the regional priorities. This committee is responsible for setting the objective and synthesizing an approach. This committee also sets up the organizational objectives for the region which is then incorporated into a country plan. This plan is then proposed to CUSO's Ottawa office.

CUSO's country advisory committee is a full and 'equal' partner in every respect. Although when the political situation becomes threatening, CUSO personnel can leave the country. So how equal is this relationship between cooperants, field staff officers and the native population? This method of decision making abroad by the Canadian national in cooperation with local representatives makes decision making an empowering experience.

Having CUSO cooperants abroad does fulfill an objective. Cooperants try to provide guidance about what is best for the Third World. If the Third World chooses to engage itself in projects that have success in the West, then we should provide them with our 'expertise'. We should help them make the choice about what kind of development they need. If CUSO has created this niche in the development world then it must serve a purpose for some Third World countries.

4.2.5 PROJECT EVALUATION

Projects that CUSO undertakes abroad vary in size, shape and objective. This diversity has made CUSO adopt the following definition of evaluation:

A process by which information is systematically collected and reviewed for the purpose of improving decision making and of increasing the understanding of social change processes.67

The objectives for doing this evaluation are to help people assess the extent to which actions have met objectives and to help assess the appropriateness of the objectives themselves. To accomplish this task CUSO has found the participatory approach the most affective means and the most consistent with its development charter. The participatory approach method evolved from a lack of funding in the Carribean region in the early 1980s. By 1986-87, this participatory approach had become institutionalized into all evaluations done for CUSO. Projects undertaken after this date incorporated this process into every project.

The participatory approach itself can be divided into three sections. First of all, there is the social investigation involving the full participation of people who are experiencing a given social reality. Secondly, there is an on going process of educating and learning. Thirdly, there is a means of taking action for development and problem-solving. In other words the local cooperants plan the project and the evaluation. Then they carry it through and use evaluation information to improve the project as it is progressing. Currently all evaluations are designed in this fashion, although financial control from exterior sponsors may impose alternate forms of evaluation, e.g. joint projects with CIDA.

The evaluation that CUSO undertakes progresses through three stages:

A. Pre-Activity Evaluation

Before a project (for example) is supported, the situation must be evaluated to make a reasonable decision as to its appropriateness and viability. This stage is sometimes referred to as 'ex-ante' evaluation, project appraisal, or front-end evaluation. The information collected at this stage, apart from being important for deciding whether or not to go ahead with a project, is also essential as baseline data for the purpose of comparison should the project go ahead.

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B. *During an Activity Evaluation*

This aspect of evaluation is frequently referred to as monitoring. As a project is being implemented, decisions about its continued relevance, about the changing nature of the problem being addressed, and about the method of solving it need to be made. More basically, performance of plan needs to be assessed to ensure that resources are being provided and used as anticipated, expenditures are in line with expectations and that the project is on schedule. Evaluation which occurs before and during an activity is often termed 'formative' evaluation.

C. *Post-Activity Evaluation*

This is sometimes called 'ex-poste' evaluation. Such assessments usually ask if the project was carried out according to plan, if the project achieved what was expected of it, how efficiently and effectively it did so, and maybe, most importantly, was it the 'right' activity to solve the problem being tackled? Post-activity evaluation is also often called 'summative' evaluation.70

This type of evaluation is not always the case since some occur at the end of an activity. However the above mentioned example is the preferred model for evaluation of projects. Using this model CUSO follows certain steps.

- Gathering information about the activity setting (be it a community, country or region)
- Analyzing the information within the socio-economic-political context;
- Identifying problems and setting goals/purposes
- Generating alternative strategies to meet the goals and selecting the 'best' alternative
- Implementing the strategy
- Evaluating the activity;71

The participatory evaluation has empowered the cooperants and the indigenous people abroad. This auto evaluation has become a self sustaining process whereby projects are created, undertaken, and evaluated by the same people without any outside independent observer taking part. Project evaluations are no longer being sent to the CUSO board. The end result is a loss of control over the process by the CUSO board. The only reports that are being sent back are the final project reports.

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70. Shipley, K. G. p. 15-16.
71. Shipley, K. G. p. 16.
4.2.6 VOLUNTEERS

CUSO does not define or use the term 'volunteers' in its charter. Since CUSO perceives volunteers to have negative connotations, the term which it uses that most closely approximates volunteer is "cooperant". The cooperants at CUSO are also their employees that are stationed abroad. However, if they are employees they do not qualify as 'volunteers' as defined in Chapter Two. What CUSO has created instead are members which represent the constituency of the organization. To qualify as a member one must:

Subscribe to objectives of CUSO and to the CUSO Development Charter, pay the membership fee of $15 (free for active cooperants) and ...(be) accepted by the board of Directors.\footnote{72}

CUSO's membership as of September 1986 was 72\% Canadian or 1,257 members and 28\% overseas or 494 members.\footnote{73} The members of CUSO fulfill many objectives such as recruitment of new cooperants, recruitment of people with specific skills that are needed in the Third World, and the screening and processing of future candidates. These members also compose the local executive of various CUSO offices across Canada and abroad. CUSO claims that it has 9,000 members in its base of returned cooperants.\footnote{74} Although ex-cooperants might exist there has been no attempt to mobilize this group of people.

At the regional level, CUSO has set some guidelines for recognition and assessment of Canadian local committees.

1. local committees are groups of individual members
2. their broad purpose is to assist in the corporation's work including the building and maintaining of the constituency
3. their recognition is to be based on 'performance'
4. their performance is to be assessed annually by their REC

\footnote{72}{The Coopers & Lybrand Consulting Group, \textit{Strategic Evaluation of CUSO's Organizational Effectiveness}. Ottawa, February 2 1987, p. 65.}
\footnote{73}{Coopers & Lybrand Consulting Group, p. 66.}
\footnote{74}{CUSO Facts About CUSO. (Pamphlet) Ottawa Ontario, p. 4.}
5. performance criteria and criteria for recognition are to be set by the board.
6. for Canadian local committees, areas of work may include some or all of:
   recruitment
   development education
   fund raising
   policy/programme discussion
   public affairs (increasing the community's knowledge of CUSO)
   maintaining and building the constituency
7. for overseas local committees, performance is to include:
   policy/programme discussion, public affairs, and fund raising.  

It is under these conditions that members at the local level participate as members of CUSO.

4.2.7 CONCLUSION

CUSO is a Canadian NGO with the specific mandate of sending cooperants overseas. To accomplish this objective it has become wholly dependant on CIDA for funding. This funding is tied to the number of cooperants working abroad.

The major components that distinguishes CUSO from other Canadian NGOs is their employment of technically skilled Canadian labour abroad. CUSO has undertaken this task as a means of helping the Third World acquire the technical skills it perceives necessary for development to occur. This active involvement in the Third World by the NGO has made its activities very visible to the Canadian public.

Over the years, CUSO has increasingly become a decentralized institution with the cooperants obtaining more autonomy. This empowering of the cooperants has lead CUSO into transforming the project evaluation process into a participatory evaluation done by the same cooperants who design the project.

Having examined D & P and CUSO thoroughly, one can see that certain patterns do exist between NGOs that are engaged in development. To highlight the similarities and differences between CUSO and D & P one must examine each component separately. Therefore we must compare the history, the objectives, the funding policy, the decision making process, the project evaluation, and the volunteer component of each organization. To make this comparison of NGOs more complete, one must also determine if they have any positive impact on the Third World in terms of providing a real alternative to government aid.
Chapter V

COMPARISON OF D & P AND CUSO

A study of CUSO and D & P, has shown how they differ from each other. To highlight these distinctive features, specific variables will be analyzed in relation to development. By undertaking this comparison, one can better perceive the development approach each NGO has taken. The approach taken to achieve the goals of the NGOs is indicative of their philosophical perspective to development. This comparative analysis will begin with a critical look at both NGOs.

5.1 HISTORY OF D & P

The creation of D & P as an NGO was part of a theological change within the Church characterized by its growing identification with the peoples of the Third World. Over the years, the demographic growth of Catholics in the underdeveloped world has made the Church more responsive to the increasing demands made by the Third World. As a response to the deteriorating conditions the Church sought the creation of an NGO which might address the problems. The creation of D & P was a simple administrative exercise for the Canadian Council of Bishops. But the real work was in following through with the commitment. This has been done by the members and volunteers who have actualized the objectives of D & P as the Church has defined them. Although work in the Third World has been undertaken by many other religious groups, D & P differs in that they do not send volunteers abroad.
D & P's history, before 1967, is one of reflection and planning. For this reason its mandate is philosophically sound. What D & P lacked in experience upon creation has been compensated for by its solid theological raison d'être. D & P, however, did make up for its lack of experience by engaging in consultation with other NGOs.

The Catholic Church has been increasing its identification with the people of the Third World. Traditionally the Church has identified with the people of the First World. The current shift in identification within the Church could be seen as a response to the demographic changes within the Catholic population. If current trends continue, the world's Catholic population will be found almost exclusively in the Third World. As it is currently, the majority of Catholics are citizens of the Third World. Could this be one of the reasons why the Church has finally acknowledged the poverty and corruption in the Third World? If the Church wants to survive as an institution, then it must identify with the needs of its participants/congregations, i.e. the poor. The creation of D & P as an NGO could be an attempt to gradually shift the focus of the Church from the First World to the Third World.

5.2 HISTORY OF CUSO

CUSO's emergence on the Canadian scene came about because of a perceived need to coordinate the several existing voluntary agencies that sent volunteers abroad. The administrative desire to harmonize the volunteer sector had the effect of creating a unified Canadian plan. The need for this national plan was a result of the rivalry and overlapping interests of existing organizations. When the merger of several agencies occurred in 1961 it created a national plan that served the interests of all volunteers equally across Canada.
One can say that CUSO's genesis, through the merger of several different organizations into one national agency, reduced the possible diversity in approaches to development. This merger of different agencies pooled experience from various organizations. Had CUSO simply operated as a coordinating body to ensure that no duplication occurred, then several different approaches might exist today within the same organization. Unfortunately though, the bureaucracy has created uniformity across Canada.

Since their creation both CUSO and D & P have grown substantially in their field of specialization. However, has this growth benefited the Third World? The answer to this question depends on one's perceptions of development. Both CUSO and D & P have different interpretations of development as defined by their charter and as described by their actions. The objective of this chapter is to highlight what approaches to development both NGOs have undertaken and how effective they have been in fostering an autonomous Third World.

5.3 OBJECTIVES OF CUSO

In CUSO's objectives it is stated that the organization must respond to the needs of "disadvantaged groups working towards self reliance".1 This policy statement confirms CUSO's intention of helping the Third World in some capacity. The manner in which this goal is achieved is the element that distinguishes CUSO from other NGOs. CUSO accomplishes this goal by "sharing technical skills through the placement of volunteer-workers, i.e. as cooperants."2 This indicates CUSO's commitment to providing technological skill, tools, or advice as a solution to underdevelopment. One inter-

pretation of this action is that CUSO has adopted the philosophy that First World tech-
nology can solve the problems of the Third World.

CUSO's definition of the problems of the Third World forces it to adopt a techno-
logical solution. This paternalistic approach implies that the Third World does not
have this technology or that the Third World needs cooperants to help them decide
what technology is most suitable to help them improve the lives of the 'poor and power-
less'. This technological solution is often culturally biased so that it must first of all be
're-invented' to suit the needs of the indigenous population.

Can technology solve every existing problem? Should CUSO have a broader per-
spective to problem solving? The introduction of new technology can be beneficial, but
does it alter the socio-economic, cultural or even environmental structures that make
up the fabric of the community? Improvement in irrigation can increase the supply of
food produced. But does it ensure a more equitable distribution of the food pro-
duced? People can starve in a land of plenty because of the skewed distribution of
income, e.g. homeless people in the United States. Applying a technical solution to
the Third World does not always improve the living condition for the indigenous popu-
lation and can, and has, lead to greater disparity.

CUSO's placement of cooperants abroad should give this NGO a greater insight
into the problems of development. Is there a real need for such placements when the
Third World possesses a surplus of people with the necessary skill, and perhaps more
importantly, a local understanding that is more sensitive to planning decisions. A bet-
ter solution would be to employ a person from the Third World to do the work in their
own country. This, of course, is not possible given the fact that CUSO funding is
based on the number of cooperants working abroad. The benefits that have accrued as
a result of CUSO's actions are not evident. Given the existing limitation, does CUSO
possess any real alternative strategy vis-à-vis the Third World?
Some countries, such as Nigeria, have accepted the presence of CUSO cooperants although they were not specifically needed within the country. In 1971, CUSO sent teachers to Nigeria although Nigeria had a surplus of teachers at that time. The acceptance of cooperants by Nigeria was a strategy employed by Nigeria to attract global publicity about their educational needs. CUSO's efforts in turn became the focus of fundraising activity in Canada. The result was a provision of books and supplies to Nigerian schools which they would have otherwise been unable to afford.\(^3\) In this particular situation, CUSO's presence did serve a function in terms of raising Canadian consciousness about Nigeria's problem with educational supplies. Given the end result, one can say that Nigeria did benefit from CUSO's involvement, but not in a way that CUSO's mandate or objective would have envisioned.

5.4 **OBJECTIVES OF D & P**

D & P has a preference for projects that seek to eradicate the cause of underdevelopment,\(^4\) although 'the cause' is never defined. To accomplish such a task, D & P should have a clear definition of the cause of underdevelopment. These causes are never spelled out. The ambiguity surrounding the cause of underdevelopment is partially addressed by a list of projects that are highly recommended to achieve this objective. If the project proposal matches the list, as enumerated by D & P, then the project has a better probability of being funded. The word 'development' is taken in the broadest sense possible, whereby development also implies 'liberation from every form of oppression'.\(^5\) This broad definition of development encompasses society at large, from folklore traditions to unchecked capitalism. In casting such a large net, D

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3. Smillie, I. p. 82.
& P tries to modify many different aspects of society simultaneously. Perhaps the holistic approach is the only possible way of attacking the problem of underdevelopment. Does D & P have the resources to undertake such a task? There is no doubt that the projects implemented by D & P can accomplish some of their objectives. Is it possible though that D & P has created too broad an objective for itself? With such a broad mandate how does one determine the priorities?

One characteristic that distinguishes D & P from CUSO is its target group. D & P specifically states that it will give priority to 'collective rights' over the rights of individuals. When this concept is applied to development it effectively empowers the collective will of the people over those individual interests of a powerful oligarchy, such as in El Salvador. This concept of collective rights is not present in CUSO's objectives. It does, however, mention 'groups' but not in juxtaposition to the individual who remains supreme in western society. CUSO's definition is limited by the United Nations' Universal Declaration of Human Rights to which it adheres. The UN definition recognizes the individual but not the collective rights of a community. The concept of collective rights is more holistic in terms of encompassing whole societies of people and not only the individual out of his/her social milieu. The concept of the individual takes people away from the community from which they draw their identity. The collective view is a more complex understanding of man that entails examining the society in which he lives. CUSO's perception of the individual is more consistent with the traditional western approach which sees the individual as capable of saving his community but is suspicious of the reverse.
5.5 FUNDING: CUSO

Funding has always been a contentious issue for NGOs. Organizations could have the perfect mandate with the ideal volunteers and staff, but if funding is not forthcoming, then the NGO cannot operate. Originally, NGOs were run by volunteers who did the planning and the execution of the projects. As NGOs became more specialized they needed more skilled labour. From this specialization emerged the professional in development. To maintain this qualified staff, NGOs have come to rely, for the most part, on government funding. When the professional development worker becomes institutionalized in the organization the number of volunteers decreases conversely with the funds received from the public, since they have a reduced role to play.

The former director of CUSO, Ian Smillie, estimated that about 80% of total funds CUSO obtained have originated from the government. There are many elements that have contributed towards this almost total dependency on the government for funding.

First of all, CUSO has concentrated power away from its original source of volunteers and financial contributors. This centralization of power has taken away the essence of what CUSO was originally. Volunteers were no longer sought from the university campuses and the universities were no longer involved with CUSO. The link with the original support group that once was the lifeline of the organization has been severed. This cutting off of all ties with the universities, where support once originated, has made CUSO more dependent on the government for funding.

Secondly, CUSO does not have a volunteer base of support in Canada from which to draw funds. In fact, the public at large has no impact on any aspect of CUSO's operation. When no public support is deemed necessary then none will be
sought. Even the term volunteer has been dropped and replaced with cooperator. CUSO does not need public support to obtain funding and it does not seem to have any.

Thirdly, CIDA has established lenient funding requirement for some l'GOs. CUSO operates on a contractual basis with CIDA that stipulates that funding will be based on the number of cooperants that are sent abroad. Funding for CUSO will be forthcoming if this obligation is fulfilled. CUSO's contract also does not specify that need for cooperants in the Third World be determined. The contract with CIDA is like a blank cheque to hire and place 'X' number of person-years abroad. One gets the impression that CUSO is a manpower center that sends Canadian professionals to the Third World.

It has been stated that CUSO already receives 80% of its total funding from the government. While CUSO is involved in joint ventures such as the Country Focus project with CIDA, CUSO only contributes 1/11 of a the total cost of the project. So how much bargaining power does CUSO really possess? Would it not be fair to say that the joint venture with CIDA is a CIDA project, with a small injection from CUSO. To what degree can this project be labeled a CUSO project? The project is almost completely dependent on CIDA for survival. What has CUSO contributed to this type of project?

This limited source of funding, too, has left CUSO at the mercy of government policy. When CIDA disagrees with CUSO's project funding it can effectively disengage its funding. Independence from bureaucratic control does not exist for CUSO. Control from CIDA can be exercised at any time with CUSO defenseless as a result of its almost total dependency on the government for funding.
CUSO has been labeled the flagship of NGOs. Currently funding arrangements with the government require that public support be demonstrated before initiating funding to NGOs. CUSO is an exception to this rule.

5.6 FUNDING: D & P

D & P's relationship with the Catholic Church has provided this NGO with access to Church funding. The relationship between the Church and D & P has been cordial and D & P has benefited from this relationship. There appears to be no signs of strain. The Church provides access to volunteers and funds for D & P which it accumulates during the Share Lent campaign. Funding that is provided through the Church is said to be given without conditions attached.

The Church does not need to make the funding conditional since the Church, through the Canadian Catholics Bishops, created D & P. D & P bears the imprint of the Church through its constitution and charter. Therefore, the funding expenditures that D & P undertakes is already in line with the accepted ideology of the Church. The Church does not need to exercise any overt control over D & P since it has modeled this NGO in an image with which it is comfortable.

The strong link between the Church and D & P through the funding, the volunteers, and the bishops suggests that a certain religious bias may exist within this NGO. D & P claims that they are neutral in terms of supporting projects that deal with the cause of underdevelopment. The volunteers who participate within D & P originate almost entirely from within the Church. Control of funding expenditures is done by the executive body that works for the volunteer board. The allocation of funds is determined by the constitution. Therefore, it is the volunteer board that exercises the final say on the allocation of funds within the constitutional framework. However, the
homogeneous source of volunteers, i.e. Catholics, may create a bias against certain projects, e.g. birth control centres.

D & P has also adopted some internal policies to protect itself from outside control. The policy that D & P has adopted has been that of not allowing any outside source of its funding to exceed 50% of its total. To exercise this policy, D & P has even refused some funding from CIDA. Therefore, control of the organization remains firmly in the hands of the Church volunteers, and out of CIDA's reach.

As stated before D & P had to undergo an independent evaluation to obtain block funding from CIDA for 5 years. Once the evaluation was completed and accepted by CIDA bi-annual reports had to be completed to receive funding. D & P's planning with CIDA's 5 year funding programme has made D & P dependent on those funds. Autonomy from CIDA control can take various shapes. Autonomy over an NGO is not a question of simply balancing the books, but a question of controlling the income flow. If D & P believes it can remain autonomous using this practice of long term planning without becoming dependent they may be neglecting the reality of their situation.

Another area of funding that D & P has committed itself to is the joint venture program with CIDA. An example of a joint venture is the Country Focus project. This pluralistic approach to development seeks to increase the autonomy of a region by creating many small projects under the umbrella of one general regional plan. When D & P uses such a plan it effectively accepts the concept that increasing levels of income are related to increasing levels of production which finally lead to an increase in the standard of living. The acceptance of this economic model of reality seems to contradict the objectives and the charter of D & p. The objective of a country focus project is not socio-economic in design. There is no doubt, however, that it has an economic outlook. Has D & P omitted the sociological aspect of the project. D & P does not
define the cause of underdevelopment only its cure. Within the list of possible cures there are projects whereby people have taken their own initiative at the grassroots level. The Country Focus project is certainly not a grassroots undertaking. CIDA has invested huge sums of money relative to D & P and OFADEC who operate on a shoe string budget. If CIDA has such a vested interest in the Country Focus project then there is a high probability that CIDA is also making some important decisions about its objectives.

One can argue that CIDA has modified its traditional perspective on development in order to cooperate with D & P. The relationship between D & P and CIDA will determine the bargaining power of each entity. D & P's ceiling on funding from exterior sources provides it with more leverage in persuading CIDA to change their developmental approach. But the argument works both ways which would imply that D & P has modified its traditional perspective to accommodate CIDA.

There is no easy solution to the problems associated with joint ventures with CIDA or, for that matter, with any other government body. The questions for this NGO are: How can it maximize its funding? And how can it best influence government policy without compromising its independence? To maximize funding the NGO must either be involved in joint ventures or obtain another source of funding from the public. If the NGO relies on the public for funding then it must involve the public in the decision making process. If the NGO wants to modify government policy it can either criticize from the outside, or it can try to work within the government to modify policy. CUSO's policy has been to rely on the government for funding while trying to influence CIDA policies from within the organization. D & P has tried to remain less dependent on the government for funding and has been keeping the contact with CIDA at a minimum. Both approaches are valid but CUSO is in greater danger of being taken over
by CIDA. D & P on the other hand, minimizes its contact with government in terms of joint ventures. This position has lead to an increase in its autonomy.

5.7 DECISION MAKING: CUSO

CUSO’s decision making process has undergone a radical change since its creation. In 1961, CUSO operated with a centralized decision making body in Ottawa. By 1980, it had become a decentralized NGO. The decentralized decision making process should be one whereby the cooperants facilitate and exchange information with the indigenous groups of the Third World. This concept of empowering the cooperants and the indigenous population abroad should be congratulated. However it should be noted that the cooperants are the catalyst for the whole process. If CUSO cooperants are not present, then decision making cannot occur. CUSO fails to recognize that the Third World is not lacking in manpower or in credible people who can make the right decisions. CUSO has empowered the cooperants and not the indigenous local groups although one might get the opposite impression from their seemingly egalitarian arrangements with indigenous groups.

By empowering the cooperants with the decision making process concerning the allocation of projects, CUSO has effectively made cooperants part of management. This managerial transfer of power away from Canada to the Third World cooperants should have triggered some alarm bells. The idea of empowering the Third World is fine, but does CUSO need to have management staff in the Third World to decide the fate of projects? In terms of absolute cost, can CUSO allow itself such a luxury? Are not NGOs renowned for being cost effective? The original idea behind CUSO was to send volunteers abroad and to have the Universities involved. The empowering of the cooperants has radically altered the essence of what CUSO was about. The distance between the Canadian public and the decision making process has never been greater.
Can cooperants remain accountable and objective when deciding on projects in which they have a vested interest? Although the local cooperants are held accountable to the head office in Ottawa, it does beg the question of how objective cooperants really are or can be expected to be.

What CUSO tried to accomplish by establishing a decentralized decision making process was to empower the cooperants and the indigenous people abroad. The concept of empowerment can be beneficial to the indigenous groups abroad, but the involvement of Canadian cooperants in this process alters this advantage. The problem is that the indigenous people do not become truly empowered. It is the Canadian cooperants that have the real power. Although the cooperant obtains great benefit from this empowerment, does the Third World benefit equally? The relationship between cooperants and indigenous groups furthers the impression that dependency on western knowledge is still required to solve the problems of the Third World. Can decisions and the formulation of projects occur without a Canadian national? CUSO makes the cooperants the 'professional' in orchestrating the decision making process. Could there be a conflict of interest in these professionals deciding and implementing their own projects?

If the cooperants posted abroad found no feasible projects to recommend would not their positions then become superfluous? There is, indeed, potential for a conflict of interest. The project may be regarded as favorable for development by the CUSO cooperants although the better decision for the region may be to leave the local population to solve the problem. In terms of occupation, CUSO cooperants become actively involved in the mechanics of the setting up and functioning of the projects they have approved. This involvement by cooperants in the Third World makes them active participants in the development process. They are physically taking part in development
projects. The Third World would benefit more if an indigenous person or group could acquire the skill and organization to make such decisions on their own without the paternalism that the co-operants represent.

5.8 DECISION MAKING: D & P

The decision making process for D & P is set up in a hierarchical fashion whereby project applications must filter through various stages. This approach involves the cooperation of different volunteers and payed staff. Project proposals are not associated with any particular individuals. The payed personnel assists volunteers on a regional basis helping them make decisions.

The drawback to this approach is that the decision about funding projects depends a great deal on the written proposal. It is only the people who can read and write that can make an applications for projects at D & P. Reading and writing is a skill that not everyone has mastered. Project proposals must originate from a group that has already mastered the ability to communicate in writing. Since D & P does not send volunteers to the Third World, it effectively eliminates a large cross section of the Third World people from applying. To overcome such a hurdle, D & P would need to send Canadians abroad which might or might not solve the problem.

Another problem with the filter down approach is that the initial screening of project proposals eliminates 50% of all applications. When the administrative body decides over such a large percentage of applications then power to decide does not reside with the volunteers. Volunteers should be involved in the initial triage of project applications. This would make the volunteers more equal partners in the decision making process. But, although the volunteer does not have any initial say about applications, they do have enormous power over the second half of the applications process. They should, however, be involved from beginning to end.
The fate of project applications is determined by a group of volunteers who may have never been in the countries from which requests originate. The request for project funding is done by a written presentation from groups of people in the Third World. Are these volunteers knowledgeable enough to make the right decision? The elected volunteers who make decisions about projects have demonstrated some knowledge in the field of development. Given the enormous physical and cultural distance between the volunteers and the project applicants, some volunteers might not appreciate the significance of their selection. The alienation of volunteers from Third World experience might occur and cause the impossibility of relating to the demands made or the lack of any real contact with projects undertaken. But this distance between the project and the decision making process can make the selection process more objective in that volunteers have nothing to gain from accepting or refusing a project. If no personal benefit can accrue for the volunteer, then one can assume decisions are unbiased in terms of personal gain.

The decision making process for D & P will be as thorough as are the volunteers and the structure that oversee the process. These volunteers are not 'professionals in development', yet, they have enormous power over the fate of projects. The hierarchical structure of this decision making process puts the burden of decision making on the volunteers. During this time project proposals are verified by contacts in Third World countries. Thus, projects are authenticated and carefully selected by volunteers.

During the project evaluation volunteers and staff are requested to approve or refuse applications as presented. Within this process there is no input or suggestions from the parties involved in the decision making process. This input from volunteers can either be valuable in terms of informing the groups about other successful projects in the region or it can be of a technical matter. Deciding the fate of a project demands
a great deal of comprehension about development. Volunteers and staff can also make a positive contribution by making certain observations or suggestions to groups making project applications. This mutual exchange of knowledge might be beneficial given that knowledge is power.

5.9 PROJECT EVALUATION: CUSO

CUSO's concept of project evaluation has been revolutionized over the years. Before the 1980's, project evaluations were done on a case basis by independent contractors. This evaluation measured the effectiveness of the projects in terms of reaching their objectives. This method of evaluating projects was radically altered by the late 1980's. This change affected two aspects of the project evaluation: the person doing the evaluation and the time sequence of the evaluation.

This change in evaluations format follows the reasoning of the decentralized decision making process, whereby it is seen as a tool to empower the cooperants and the indigenous groups abroad. The concept of empowering the Canadian cooperants abroad should work to the advantage of the organization in terms of increasing efficiency of those abroad. The problem with this approach is the possibility of a conflict of interest in terms of providing an objective evaluation. This conflict of interest originates from the fact that the persons doing evaluation are also the persons benefitting from the implementation of the project. To make the evaluation objective the same persons cannot be involved in the planning, the implementation, and the evaluation of a project. To perform an objective evaluation one must be able to create a distance between the project and its evaluator. CUSO's evaluation is integrated into every stage of the process, from the initial planning of the project until the final analysis.
All recommendations from this evaluation are implemented as the project advances. The two elements, planning and evaluation, are intertwined, thus objectivity in evaluation is inconceivable. This process of evaluation is built into the program itself. The end result is a convergence of the two different stages. The recommendations that originate from the evaluation are implemented. Thus, the project is continuously being modified. This merger between these two different stages of the project were seen as a means of empowering the cooperants and increasing the efficiency of the project.

One of the implications of this change in procedures has been that evaluations are no longer undertaken by independent parties. This has effectively stopped the flow of evaluation back to CUSO's main office. When evaluations become part and parcel of the project process they become a useful tool for the project itself. Since recommendations and suggestions put forward by the evaluations process were used constantly the evaluations were no longer being sent back to Ottawa. This, effectively, is the crisis that CUSO has to deal with. Project evaluations are no longer being sent back to Canada. These evaluations are considered an important source of information for government agencies who provide funding. If CUSO is to remain a credible agency it must find a way of obtaining these project evaluations.

This type of evaluation process can become very costly since projects are evaluated on an individual basis. Such a procedure is not cost effective since no evaluation reports make it back to Canada. One can only evaluate the success of the method if one can obtain results. Unfortunately, the empowerment of the cooperants has stopped the flow of information to Canada.

Currently project evaluations are done abroad by Canadian nationals, e.g. cooperants. If CUSO wants to promote the empowerment of the indigenous people, then should they not make them responsible for the evaluation? After all, they are qualified
for the task since they are the recipients of the projects benefits. Perhaps in this fash-
on Canadians will obtain some feedback in terms of project evaluations.

5.10 PROJECT EVALUATION: D & P

The evaluation of a project is a means to measure the success of an NGO under-
taking. For D & P, this evaluation is done by region whereby all projects within the
same geographical area are evaluated simultaneously. This implies a macro-evaluation
on projects that have an impact at the micro-level. No one project is therefore evalu-
ated in isolation. While undertaking the evaluation, D & P tries to set the appropriate
goals for the region and acknowledges its commitment to development.

The objective that D & P sets for itself during project evaluations are very ambi-
tious. Evaluating projects is a difficult undertaking that involves time and money. D
& P's multi-purpose approach to making evaluations becomes a multi-variable analysis.
D & P has accomplished this objective by examining the socio-economic relationship
that prevails within the geographical region. This complex evaluation at a macro-level
is coordinated by the indigenous groups and is done by those who participate in the
projects. This huge undertaking has become a complex process whereby groups of
people involved in projects are involved in every aspect of the evaluation. This broad
undertaking can also become very complex in terms of the number of variables that are
involved. Improvement in a region can occur as a result of many possible changes.
Trying to measure change at a macro-level is something economists cannot agree upon.
How is it possible that D & P has mastered such a difficult objective?

The process of evaluation that D & P has undertaken mobilizes many people into
participating. Although the goals and objectives of the project might be impossible to
attain, it is the process that is important. The nature of the project and its evaluation
requires the involvement of the local population. The active involvement of the local groups is an objective in itself that D & P has succeeded in accomplishing. This active involvement of the local communities is the first step in empowering the people.

Though evaluations are done on a regional basis, one cannot forget the basic unit of analysis: the project. Using the current method of evaluation, projects may be overlooked in terms of their real impact on the target group. When evaluations are done on an individual basis, one is more assured about the success or failure of any one project. When one looks at all the projects as a whole one might not see that many of the projects are not contributing in a positive fashion. However, evaluations that are done on a individual basis are often more costly and do not encompass a holistic approach.

5.11 VOLUNTEERS: CUSO

CUSO was created on the pillars of volunteerism. However, the idea of using volunteers had negative connotations for CUSO. In the 1970’s, CUSO volunteers became cooperants. This radical change from the past has made CUSO a professional development agency. Even CUSO's charter does not mention the word volunteer. The public that supports CUSO ideas and objectives is referred to as members and not volunteers.

The negative impression that CUSO has about volunteers calls into question its right in calling itself an NGO when no volunteers are involved. NGOs are about people who publicly support the ideas and objectives of the organization. The people who support NGOs are called volunteers. They are also involved in some aspect of the NGO. CUSO does not have any element of volunteers within its operation. The absence of public participation by volunteers should qualify CUSO more as a government organization than a public organization since this seems to be its major source of support and interest.
5.12 VOLUNTEERS: D & P

D & P is an NGO that depends on volunteers in the decision making process. Their input is vital to the functioning of the organization. The role that volunteers play within D & P is set out by the charter. However, volunteers were not involved in drafting the charter. The outcome of volunteer involvement has been predetermined by the Church, creator of this NGO.

The volunteers that are actively engaged with D & P come mostly from one social milieu. This homogeneous group of volunteers that come from within the Church creates a harmonious support group. This has been the ease up to the present time, although the charter also indicates that all people are welcome to join D & P. The perception from the public is that D & P is only open to the members of the Church. This perception is mistaken according D & P administrators. Although the charter states otherwise:

To be eligible as member of the Organization, one must accept the Gospel of Jesus Christ as proclaimed by the Catholic Church, accept the aims and objectives of the Organization and commit oneself to participate in its activities and programmes.6

D & P has been renowned for having a large number of volunteers and many members. Does this NGO have any kind of support outside the Church? Does D & P rely too heavily on the Church for its support? Although D & P claims that it has a large following, are most of these volunteers only accessible because of the Church’s acceptance of the organization? Since one cannot separate the Church from D & P and the volunteers from the Church then would it be right to assume that D & P could not survive without the assistance of the Church?

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5.13 CONCLUSION

CUSO has transformed itself over time from a volunteer organization recruiting university students to a professional development agency. This change in its mandate is also reflected in its funding policy, its power sharing objectives, and its application of technological solutions to Third World Problems.

In terms of CUSO's projects abroad it has sought to empower the cooperants rather than the indigenous people of the Third World. This has resulted in perpetuating the paternalistic view of the developing world. This is accomplished by denying the indigenous people any decision making power over their own fate. Currently the decisions about project evaluation and project implementation are performed by the same groups of Canadian cooperants abroad. The multiple tasks that cooperants are currently involved with would refute any notion of objectivity. The people who implement projects cannot remain objective while evaluating the projects they are undertaking. This kind of action can lead to a conflict of interest for the cooperants who fulfill many different objectives. To solve this possible conflict of interest CUSO should hire evaluators that are indigenous to the region and who are not directly benefiting from the projects. These evaluators can become involved in a participatory evaluation similar to those undertaken by the cooperants. This would make the indigenous people more responsible and empower them in the process.

In terms of funding CUSO has severed all ties with the universities and the public. This has resulted in CUSO increasing its dependency on government for funding. Currently, this funding dependency on the government has restricted CUSO's spectrum of involvement in the Third World. CUSO's funding contract with CIDA obliges CUSO to post a certain number of person-years abroad regardless of demand. In addition, this funding by CIDA has been provided although the Canadian public is not involved with CUSO.
CUSO, in following its funding requirement, provides a service to the government in terms of placing people abroad. This manpower placement agency acknowledges the paternalistic view by the West. CUSO is restricted to a narrow spectrum of possible solutions which inhibit any possible dialogue about other alternatives. Having defined the technological solution to the Third World in this fashion, the utilization of western technology and professionals becomes 'a fait accompli'. The technological solutions that CUSO proposes have boxed the organization into a narrow corner of development that perpetuate the dependency of the Third World. Although some benefits have accrued from this NGO, the majority of those benefits have been for Canadians.

CUSO's philosophical approach to development is very Western. It advocates technological solutions as a means of solving Third World problems. This philosophical approach is based on the notion that Western technology, i.e. science, can solve all problems. This approach is based on the myth that technology and science are the highest form of rationale. Western technological success cannot be duplicated or imitated by the Third World. CUSO is applying the branch plant approach to development that is not possible to duplicate unless the Third World can subjugate another group of people as the First World has done. The Third World might aspire to having better living conditions but this cannot occur simply by using Western technology but rather by a redistribution of wealth.

D & P was created by the Roman Catholic Church to implement development projects abroad. This action on the part of the Church could be part of its global strategy in terms of satisfying its faithful followers in the Third World. This possibility cannot be neglected since the Church has become a universal institution. D & P has also incorporated this global outlook on development in its approach to the Third World.
This implies a holistic approach to development that seeks the betterment of the community and not only that of individuals. This complex approach to development has resulted in evaluations that are global in character. This has lead D & P to undertake evaluations at a macro level while projects are done at the micro level. Although D & P has undertaken such an enormous task, can it possibly fulfill this objective?

First of all, the holistic approach to development is a global outlook. This in fact is what is needed to alter the increasing poverty of the Third World. D & P has tried to do this by empowering the people of the Third World by inviting them to submit what they perceive as development projects and subsequently by evaluating their own projects. By empowering the Third World, D & P has succeeded where many others have failed.

D & P has been known for having many volunteers and members. This is quite commendable for an NGO. However, the volunteers all originate from one social milieu. One could also postulate that volunteers in general come from the same social class. If this is the case, then D & P has a very homogeneous group of volunteers who have a similar outlook. This could be very detrimental for any organization since pluralism keeps the vitality of an organization going. These volunteers who are basically members of the Church are there because the Church sanctions such voluntary participation. Therefore D & P must keep the Church in the highest esteem possible if it wants its volunteer support.

The question of D & P's association with the Church is never clear. The staff at the organization claim that it is not part of the Church, although the Church created D & P, has provided D & P with the majority of its funding, and has provided D & P with access to countless volunteers. In addition, two bishops sit on the national council and the major clientele in the Third World have been Catholic organizations. But the
distinction of whether or not D & P is part of the Church is not the issue of this thesis. What D & P has accomplished in the field of development is the only criteria that is relevant for this study.

D & P has taken a more enlightened view of development. It has not embraced the Western economic and technonological model of development. It has chosen a middle road, whereby it has tried to empower the people of the Third World while keeping its volunteers active in the decision making process. To accomplish this goal it has tried to remain independent of the government. Its vision of development make it one of most progressive NGOs in Canada. However, there is room for improvement especially in terms of the role of the volunteers. What is most commendable about D & P is its holistic approach to development. This global vision might be a consequence of the Church's global perspective of the world. The Church is rooted all over the world, and these roots nourish that perspective. In terms of development, a global change is truly needed and that is what D & P is seeking to do by empowering those it deals with and providing them with choices.

5.14 EPILOGUE

The objective of NGOs is to become superfluous. If NGOs accomplish this, then they have achieved their objective. Their objective should be to empower the Third World by transferring all decision making to the indigenous population. Only in this fashion will true change ever occur. Since development means more of what the First World has then development cannot occur since our environment has a limited amount of resources. The only possible change therefore is a redistribution of the wealth that already exists. NGOs do have a role to play in this scenario in terms of empowering the Third World to take back control over their own resources and lives.
Chapter VI
CONCLUSION

In this study on the subject of NGOs and international aid an attempt has been made to illustrate that government efforts, in general, have not contributed positively towards Third World autonomy. The aid provided by the First World governments and by global financial/political institutions has perpetuated the post-colonial trading patterns of development. The short-term effect of this aid has been to prop up the socio-economic structure of Third World countries, further supporting the inequitable distribution of income within their boundaries. This aid has often been used in a repressive fashion to obstruct significant social change. The long term effect of this aid has been to stabilize the global trading patterns that perpetuate a First and Third World dichotomy.

The NGOs engaged in providing aid do so on a smaller scale. Their actions have been described as grassroots and as such their impact has been relatively more localized than government aid. Although NGOs have had their share of failures their mistakes have been smaller and minimal in terms of impact. Unlike government aid, NGOs have not left a trail of debt in the wake of unsuccessful development projects. The other element that has characterized NGOs is their increasing level of bureaucratization. This has resulted in NGOs being run and operated by professionals whose interests are far from making their employment superfluous. These professionals have monopolized the decision making power which was once shared with the volunteers. Thus the volunteer base which built these organization has been neglected over time.
Subsequently NGOs have had to become more dependent on government funding for survival. However, overall NGOs have provided the development community with some innovative ideas and initiatives in the field.

Dom Helder Camara suggests that NGOs should stay at home to change the existing social and economic trading patterns that perpetuate First and Third World differentiation.

To the young of the developed countries of both the capitalist system and socialist I say: Instead of going to the Third World in order to try to activate violence there, stay home in order to help develop the consciences of the affluent countries, which also need a cultural revolution that will lead to a new hierarchy of values, a new view of the world, a global strategy for development, the revolution of mankind...¹

To undertake such a task the NGOs must first redefine the basic parameters that encompass the issue of development. When NGOs pursue ‘development’ as defined by the First World it immediately acknowledges and gives credence to the existing status-quo. It does this by promoting development projects whose objective is economic growth through trade with the First World. In an effort to verify this statement this paper has examined the reality of two established Canadian NGOs involved in development: CUSO and Development and Peace.

CUSO, is an NGO that has accepted the First World definition of development. While accepting this development approach CUSO has become very dependent on the government for its financing. Its policy has been to decentralize decision making power. By undertaking such a policy CUSO has empowered the Canadian cooperants abroad rather than the people of the Third World. One of the consequences of these actions has been little or no participation of the Canadian public within the NGO. These actions by CUSO contradict the essence of Dom Helder Camara’s message.

D & P action, on the other hand, has had some positive impact on the Third World. D & P has achieved this by keeping the Canadian volunteers involved in the decision making process and thus empowering them. D & P volunteers therefore have the capacity to become powerful role models in creating change in Canadian society. D & P involvement with the Third World puts the emphasis on the citizens of the Third World for submitting projects which are most important for their communities. Although projects are decided upon in Canada, D & P has empowered the indigenous people abroad by making them responsible for implementing and evaluating their own projects. This approach to development is more consistent with Dom Helder Camara's conception of development.

D & P dependence on the Church has provided this NGO with the global vision necessary to effectively implement development projects that will have some positive impact on the Third World. It is this global approach to development that has enabled D & P to redefine its vision of development. The end result of D & P action has been that more volunteers are involved in the process of change. The benefit from this kind of involvement by Canadians will occur in the long run. The aid provided to the Third World can be beneficial in the short run but it is the act of empowerment that will have the greatest impact on changing the status-quo. When an NGO empowers people of the First or Third World it effectively gives them power for controlling their destiny.

One can no longer believe the myth that the Third World's problem is one of underdevelopment. We must perceive the issue as one in which the First World has too much and the Third World has too little. In other words, it is not a problem of development but a problem of distribution. This level of understanding can evolve only when people become responsible for their actions. When the people of the First World realize that their comfort is only possible at the expense of somebody else's discomfort
and that their every action on a daily basis has an impact on the world’s distribution of goods produced, then change will be possible. NGOs can become part of this equation by empowering both the people of the First World and the people of the Third World. This course of action can be pursued at home or abroad.

Some NGOs have realized the impossibility of development as defined by the First World and have taken a different approach in their involvement with the Third World. These NGOs have been actively trying to obtain an equitable return for Third World countries in terms of goods produced by these countries and sold in the First World. An example of this diversity of alternative approaches by NGOs to development is CARE.

The American NGO, CARE, has embraced a new form of aid. This aid combines debt relief, investment banking, and venture capital. The NGO has devised a subsidiary called Small Business Assistance Corp. which can help foreign lenders recover some of the money invested in Third World countries. This subsidiary will invest “in small and medium-sized business from fruit canners in Honduras to shrimp farmers in the Philippines, when invited by the host country.”² This subsidiary will hold minority stake in companies it invests in and will concentrate on business worth between $250,000 and $2.5 million. The NGO hopes that other foreign banks and creditors will also invest in the ventures to receive dividends if the investment is found to be lucrative. By undertaking such actions the NGO, CARE, essentially entrenches the Third World into the global financial markets. It has been acknowledged that this program will have little impact on the $1.2 trillion (U.S.) Third World debt but it is a unique step for an NGO to embark upon.³

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NGOs have also been involved in Alternative Trade Organizations (ATO). The objectives of these organizations is a more equitable trading pattern of goods produced by the Third World. An ATO in New Zealand suggests the goal of promoting economic justice while concurrently educating workers and citizens about trading injustices.4

Trading Partners has links with 26 Third World countries. It deals directly with local producer groups, paying the price they determine and never bartering. There are no middle managers. They offer Third World producers advice on export procedures, quality standards, design and selling, and ensure that all items are produced with integrity to local traditions. Twin Trading helps Third World organizations to engage successfully in international trade, often for the first time. It enables producers to improve the quality and standards of their products, to do more of the processing and refining, to be responsible for packaging, transportation and export, to do their own repairs, to develop their own technical infrastructure and manufacturing capacity.5

These organizations manifest a variety of different and innovative methods for helping the Third World. But, the actions of the NGOs all have the same objective of empowering the people of the Third World. There is no single method to accomplish this objective. No single method will solve all the problems that currently exist in the Third World but some NGOs have embraced alternative development approaches than those presented by the global financial/political institutions. Currently only NGOs have the flexibility to undertake such innovative ventures. It is this flexibility of NGOs that might make a difference in the long run.

Although NGOs can be praised for their actions there is always an exception to this rule. The following is an example of what can happen when development oriented NGOs are not serving the interest of the Third World population.

They discovered that underdevelopment, theirs and that of tens of millions in Latin America and elsewhere in the Third World, is a growth industry that has created a busy superstructure of well paid aid administrators without necessarily reaching poverty at the grassroots.

More than three dozen NGOs operate in the Lima slums. Several are involved with ecological projects that reflect the donors' concerns, such as the green-house effect and acid rain. Often their projects have little to do with the needs of the poor.

"Ecology is the latest fad in the North, and many Peruvian NGOs simply have hitched their wagons to it with the hope of getting some easy money," says Gustavo Fernandes, director of Lima's Andean Communications Center, a non-profit NGO that produces documentary TV films on cultural identity and inequities.6

These environmental objectives of the NGOs are a reflection of the interest groups from the First World. Although they are compatible with the objectives of David Suzuki they are not compatible with the urgent needs of the Third World. The objectives of NGOs should be to represent the needs of the public it is serving. Projects that target environmental concerns are projects that seek to satisfy the needs of First World at the expense of the Third World. Such projects perpetuate the paternalistic attitude of the First World. If the First World wants a sound ecology then a first step towards achieving this goal would be to empower the Third World to become responsible for their own resources. For this to occur the First World must acknowledge responsibility for its own environmental destruction and the consumption of 3/4 of the world's resources.

The subject of development has been examined using aid as the window for analysis. When we accept the word 'development' as the terminology that defines the subject matter, it is relative to the First World. We are stating that they, the Third World, must become like the First World. There is no doubt that many Third World countries aspire to such affluence. The task as defined by the terminology used is not possible since the First World needs the Third World to exploit to maintain their level of affluence. The only possible solution is a redistribution of the existing resources and the empowerment of the people of the Third World. This can be accomplished if

countries of the First World had the economic objective of zero growth which requires a radical transformation in our social values. This would effectively stabilize our standard of living and enable the economies of the Third World to catch up. The role that NGOs should play in this environment is to re-educate the public as to how they can reduce their consumer expectations and in doing so contribute to Third World emancipation.

The only possible solution to such an imbalance is a redistribution of the goods produced in a more equitable fashion. Growth in terms of goods produced is no longer possible since resources of our shrinking planet are finite.  

Annex A

The Growing Rich-Poor Gap
Percent of Total Income

Source: El Salvador Ministry of Planning

A.1 Bibliography


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