International Donors in Democratic South Africa:
A comparative-case study.

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A research report submitted to the Faculty of Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management (in the field of Public and Development Management).

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Abstract

International donor organisations have been in a somewhat extraordinary position in South Africa until recently; since the previous dispensation lacked national as well as international legitimacy, donors were unwilling to channel their funds through government. This meant that donors could on the whole set their own priorities as to where and how and by whom their money was to be spent. The purpose of this research is to assist in making some specific donor organisations (German political Foundations) more transparent on the one hand, and to contribute more generally, albeit in a small way, in making available information on donors to policy makers. The research found that the gravest concern on the part of recipient organisations was the perceived lack of accountability and transparency on the part of the donors.

I declare that this research report is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree Master of Management (in the field of Public and Development Management) in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other University.

Barbara Groeblinghoff

30 November, 1996

Glossary of Terms and List of Abbreviations

ANC	African National Congress
Bavaria	One of the sixteen *Länder* that make up the Federal Republic of Germany; capital: Munich.
Bundespräsident	'Federal President' of Germany and the country's formal head of state; a non-executive position (unlike the *Reichspräsident* of the Weimar Republic) which entails largely ceremonial powers only.
Bundesrechnungshof	German Federal Auditor-General's Office
Bundestag	Lower House of the German parliament; roughly comparable to the US American House of Representatives, as opposed to the *Bundesrat* which, like the American Senate, consists of representatives of each of the sixteen *Länder* that make up the

	Federal Republic of Germany.
CBO	Community Based Organisation
CDU	*Christlich Demokratische Union* - the Christian Democratic Party, operating in all of Germany, except Bavaria.
COSATU	Congress of South African Trade Unions - umbrella body that most trade unions are affiliated with.
CSU	*Christlich Soziale Union* - the Christian Social Party; the Christian Democrats' sister party which operates in Bavaria only.
DEM	Deutsche Mark - Germany's currency (1 Mark = 100 Pfennig); 1 Mark is circa R2.30 (as at 11 January 1995). The subsequent precipitous collapse of the rand (from the first quarter of 1996) has not been reflected, as this would distort the

	impression of amounts of money spent prior to 1996.
G7	America, Britain, Canada, France, Germany, Italy and Japan
GNP	Gross National Product
GTZ	*Gesellschaft für technische Zusammenarbeit*; the German government's technical assistance agency
IDASA	Institute for a Democratic South Africa (formerly: Institute for a Democratic Alternative in South Africa)
IFP	Inkatha Freedom Party
IMF	International Monetary Fund
LDC	Less Developed Country; often used synonymous with the term 'Third World Country'.

NGO	Non-governmental Organisation
NIC/s	Newly Industrialised Country/ies; also known as the 'Little Tigers' (e.g. Malaysia)
PAC	Pan African Congress
Policy of Containment	US American and NATO foreign policy post World War II which prioritised 'containing' the influence of the Soviet Union in the newly independent countries of the Third World.
Politische Stiftungen	Political Foundations
RDP	Reconstruction and Development Programme - first the ANC's, and later the Government of National Unity's development 'blue print' for South Africa.
Reichspräsident	Title of the executive president (and Head of State) of the ill-fated Weimar Republic (1919 - 1933).

Republikaner	Literally translated: Republicans; a small right-wing German party that has made some political gains particularly in local elections on an anti-immigrant and xenophobic platform; comparable to Jean-Marie Le Pen's National Front in France.
SADF	South African Defence Force; name of the South African army until 1994; now: South African National Defence Force (SANDF).
Stiftung/en	Foundation/s
SWAPO	South West African People's Organisation - Namibia's liberation movement and government party since 1990.
Third Reich	Synonym for Germany during Hitler's reign, i.e. from January 1933 to May 1945.

Glossary and Abbreviations

UN	United Nations
Weimar Republic	Germany's short and ill-fated experiment in democracy post World War I, which came to an end in January 1933 with Adolf Hitler's National Socialist Party coming to power.

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Chapter One

Introduction

The international donors referred to in the title and studied in this research report are the four German *Politische Stiftungen* (political foundations) operating in South Africa: the *Friedrich-Ebert-Stiftung* (associated with the German Social Democratic Party), the *Konrad-Adenauer-Stiftung* (associated with the Christian Democrats), the *Friedrich-Naumann-Stiftung* (associated with the German Liberal Party) and the *Hanns-Seidel-Stiftung* (associated with the Christian Social Party of Bavaria).

International donor organisations fall into various categories: there are so-called bilateral donors, such as the United States Agency for International Development (USAID) which spends US American government money, and usually does so in conjunction with the government of the host country. Multi-lateral donors are for example the World Bank or any of the myriad of United Nations organisations; again, as a rule, these institutions will work with and through the respective governments of their host countries. Thirdly, there are the international non-governmental organisations (NGOs), such as the Ford Foundation which tend to work mainly with local NGOs and to a lesser extent with governments (if at all).

International donor organisations in general have been in a somewhat extraordinary position in South Africa until recently; since the previous dispensation lacked national as well as international legitimacy, donors, even multi- or bilateral ones, were unwilling to channel any funds through the South African government, as it then was. In fact, a number of donors directly supported organisations like the African National Congress (ANC), which was an illegal organisation until 1990.[1]

This meant that donors could on the whole set their own priorities as to where and how and by whom their money was to be spent. The usual channels through which the funds went were non-governmental organisations (NGOs) and occasionally community based organisations (CBOs) directly. If one accepts that the donation of money by international donors, particularly bi- and multilateral ones, is invariably at some point the pursuit of foreign policy by other means, it appears these foreign donors were allowed to follow their national (or institutional) interests at will.

There is ample evidence (see **Chapter Three - Literature Review**) that it is of the utmost importance for a developing country to remain in charge

[1] Whereas there was a discernible trend in South Africa that donors chose NGOs as delivery vehicles because the state was considered morally and otherwise unfit, in other countries there developed a similar small trend to support NGOs because thirty or so years of trying to develop through a state bureaucracy all too often have come to naught. Much of this failure has been blamed on the inherent inability of such bureaucracies to deliver, making NGOs attractive alternatives.

of setting its own development agenda. In the South African context that means (for the South African government) that the Reconstruction and Development Programme (RDP) and the Macro-Economic Strategy must be the *leitmotivs* for any development planning. It appears to be generally accepted wisdom that there must be a process of co-ordinating, and to some extent controlling, bi- and multilateral donor activities in the country (e.g. Picard and Garrity (1993)). This, however, does not answer the question whether internationally funded NGOs must also find their place within the national development priorities.

South African NGOs on the other hand, are saddled with a different kind of problem: they have to learn to live (and survive) despite the fact that money, which used to go exclusively into their coffers, for example from the European Union (EU) via the Kagiso Trust, is now channelled to government ministries, institutions and projects.[2]

Given the large role that South African NGOs are playing in the development processes of this country and that they are a great part of civil society, it is of immense interest to look at some of these NGOs' donors: other NGOs, usually from the northern hemisphere, to wit in this research report - the four German foundations.

[2] A representative of the European Union's office in Pretoria gave a briefing to German embassy and foundations staff in June 1995 in Pretoria where he estimated that the EU used to give 100% of its money to local NGOs until about 1993, by 1995 that was down to 50% and he would not be drawn on how much more the South

This study would then like to assist in making some specific donor organisations more transparent on the one hand, and to contribute more generally, albeit in a small way, to the understanding of the relationship of a specific type of donor - northern NGOs - with a specific type of recipient - local NGOs.

This research attempts to achieve this aim by way of employing a modified case study method and by using depth interview techniques, as explained in detail in **Chapter Three - Methodology**.

After this introduction, **Chapter Two** will state the research question and explore the literature review; **Chapter Three** explains the methodology, followed by **Chapter Four** which looks in a descriptive way at the four foundations and **Chapter Five** which addresses the analytical issues gleaned from the interviews. **Chapter Six** concludes the research report by looking at the research question once more and how, or whether, the report has managed to answer the question.

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Chapter Two

Research Question and Literature Review

2.1 Research Question

Donor interventions are often perceived to be unaccountable to anyone but the donors' home countries or institutions, to lack transparency from the point of view of the individual recipient organisations and the developing country as a whole, and appear to take place in an unco-ordinated and haphazard fashion. This report concentrates on one specific type of donor - northern NGOs - and one specific type of recipient - local NGOs. The research issue therefore revolves in part around their distinctive donor/recipient relations, but also around the general nature of the control exercised by donors over recipients and the effectiveness of the understanding of co-ordination, transparency and accountability on the side of the donors.

This research is not meant to test a hypothesis, but aims to make four specific donor organisations more transparent, and to contribute, albeit in a small way, to the understanding of the relationship of a particular type of donor - northern NGOs - with a particular type of recipient - local NGOs.

2.2 Literature Review

2.2.1 The Politics of Aid

In the context of what might loosely be termed the 'politics of aid', Zabala (1991, p.40) quotes Hellinger *et al.* (1988) who unequivocally assert that in the US American case

> "[aid] as a tool of foreign policy making [...] has been used consistently by the State Department through the Agency for International Development (USAID)."

The same is true of any other country in general, and Germany in particular, as well. Oppenheimer and Bödecker (1992) research trends in (West) German trade, investment and aid flows over a period of nineteen years (1970 - 1989), i.e. the years prior to German re-unification[1].

The importance of trading with developing countries in general has steadily declined since 1970, the authors show (ibid, p.45). African countries in particular saw their share in total German trade drastically

[1] Unification has meant that Germany became a lot more inward looking since 1990; while tackling the enormous economic and social challenges that the rapid integration of what were two separate states, development and investment priorities have shifted from 'South' to Eastern Europe in general (and former East Germany in particular) and to the highly profitable Newly Industrialised Countries (NICs) of the Pacific Rim.

reduced. Likewise, German investment stock in developing countries, in any event declining in relative and real terms, was unequally distributed among the three 'developing continents', with Africa being the largest overall loser.[2] At the same time, while the Newly Industrialised Countries are overcoming the traditional pattern of the international division of labour (i.e. the developing country exports primary materials and imports manufactured goods), there is no such development in Africa, Oppenheimer and Bödecker conclude (ibid, p.51). German aid then, they maintain, has become

> "an eventual means [to compensate] the developing countries for the tendencies of peripheralisation caused by the international expansion of the German economy" (ibid, p.43).

However, German aid (around 0.4% of GNP) remains well below the United Nations' prescribed level (of 0.7% of GNP). The authors think it highly unlikely that this will change in favour of developing countries

[2] Oppenheimer and Bödecker (1992, p.57) put this development down to

> "profound changes that have been taking place for a long time in western industrialised countries and are associated with production processes which are becoming less intensive in consumption of natural resources. In addition to the limited growth in demands for tropical food products and stimulants, the competitive position of traditional Third World producers has been further complicated by the appearance of new products both within and outside Europe".

after reunification. Nevertheless, South Africa specifically has been an attractive place to be seen to be spending money in the past couple of years, and so it appears that the German Foundations have actually had their (South African) budgets increased.[3]

But not only First World academics take it quite simply for granted that aid is a form of foreign policy making - so do South African donors questioned by Zabala (1992) in his research on *The Interface between 'Aid' Donors and Recipients* in South Africa. At a time when political change was gathering momentum, but it was not clear yet how much reform there would be, they described foreign aid as having had "a positive impact in maintaining alternative organisations during the period of substantive repression". But they recognised that such assistance also aimed at improving "political and commercial relationships of the donor country" (ibid, pp.142 - 144). The recipients interviewed by Zabala (1992, pp. 149 - 152), on the other hand, had a far less sanguine and somewhat more negative attitude towards foreign aid; singled out for criticism were foreign aid's tendency to create dependency, excessive control over projects, too short-term a commitment and the perception that foreign governments and institutions often used it as a means of creating employment for the donor countries' nationals. Furthermore, it was considered highly politicised and to be an extension of the donor's foreign policy. Positive comments recorded by Zabala (ibid) pointed out

[3] In addition, prior to the elections the Foundations were given additional sums of money by the German government, to be spent, for example, on voters' education in the run-up to South Africa's first democratic election in April 1994.

that it was foreign donors who kept many a 'Struggle' organisation going in the days of Apartheid. But the same recipients also noted that

> "foreign aid is uncoordinated and the development projects form a kind of shopping list for foreign governments" (ibid, p. 152).

2.2.2 Donor/Recipient Relations

Guess (1987) goes as far as describing US American aid as simply another type of highly politicised domestic programme, subject to US federal laws and administrative rules; and this, he stresses, means that recipients' interests are ignored in both the planning and the implementation processes, because they are not consistent with the US bureaucracies' rules, interests and routines.

Zabala (1991) traces the same phenomenon in South Africa specifically. He discusses what he terms 'donor imperatives', namely "rules, regulations and policies of donors superseding those of the recipients" (ibid, p.162).

Picard and Garrity (1993) list a great number of books and publications that concern themselves with recipient/donor relations; the conclusion of the literature they quote is that the relationship is invariably unequal and stacked in favour of the donor. Lappé *et al.*'s (1981) views also agree

with this analysis, and they conclude that aid has a tendency to reinforce already unequal power relationships.

Recently, though, there have been events that seem to indicate the possible beginning of a change in this 'god-given order': at the 50th anniversary gathering of the World Bank and the International Monetary Fund (IMF) in October 1994 in Madrid, a united block of developing countries rejected proposals put forward by the so-called G7 group of industrialised countries. Although the fracas was ostensibly about something akin to an overdraft facility for developing countries, one of the deeper reasons, some of those present suggest, was that "developing countries are fed up with what they see as G7 bullying" (The Economist, October 8th, 1994, p.88)[4]. This translates into the assertion that what donor nations want, need no longer automatically translate into policy for the developing countries. Indeed, it appears that this relatively small incident was interpreted as the first occasion at which both G7 and developing countries encountered the changed circumstances and complexity of the post-cold-war financial order.

Specifically on the question of control, Mosley (1987) in his research discovered a tendency on the part of both donors and recipients to regard the one or the other party as being solely in control of how aid is used. This can become particularly precarious for the recipient when dealing

[4] The other issue was the 'older' developing countries' resentment of the IMF's increasing support (largely at the G7's prompting) of East European ex-communist states - at the expense of the former's interests.

with multiple donors for one project, for example, because of conflicting donor conditionalities and agendas.

Zabala (1991, pp.54 - 55) also concludes from his literature review that

> "[...] the interface between donors and recipients, whether at government level or through private agencies, is fraught with problems and tensions. These uneasy relationships arise from a lack of public acknowledgement by both parties of the legitimacy of the motives and objectives of the other party."

However, Picard and Garrity (1993) suggest a number of ways in which donors can be 'managed': through greater selectivity when accepting donor projects, by letting 'the best and the brightest' developing country's managers deal with donors, utilising the one thing that all donors are sensitive to, namely political pressure, by forcing donor co-ordination and so forth. They identify further as one of the greatest problems the lack of understanding and communication between country programme officers and donor personnel. The latter are often isolated from the society within which they work. Barriers that contribute to this isolation are cultural and linguistic. Moreover, donor officials move around, and this gives little time for the kind of in-depth knowledge necessary to operate within the indigenous management system. Donor representatives are also primarily oriented towards their own internal

management system rather than the project and programme goals of the developing country.[5]

Specifically, the problems of "[c]ultural-linguistic factors such as the lack of knowledge of western organisational practices and poor communication abilities in languages other than those spoken at home" (Schlemmer and Van Antwerpen, 1989) automatically put the host country personnel at a disadvantage, since they have to meet the donors on the donors' organisational, and to some degree, even cultural turf. In addition, LDC (Less Developed Countries) programme managers need to speak the donors' bureaucratic 'language' in terms of monitoring, design and evaluation requirements. In the first instance this means understanding the way the donor representative works domestically in his or her country, and the nature of the administrative and political environment within which the aid mission operates. Speaking the donor's language also means reading the donor's documents, particularly the myriad of design or project papers, and evaluation or monitoring documents that define a technical assistance activity. (Host country programme officers also need to understand the donor personnel with whom they interact; if they were to concentrate solely on the delivery of the project it would have a negative impact on the relationships.)

[5] There is a noticeable kind of 'foodchain' with the Community Based Organisation (CBO) at the bottom, then the Non-Governmental Organisation (NGO), the local representatives of the donor next and the donor's head office right on top. The real anomaly is that this hierarchy consists of at least three totally distinct organisations. Each layer brings its own objectives, needs, resources and limitations to the process - something that does not bode well for a coherent exchange process, but a dynamic which really drives the entire process and which in practice appears to be ignored.

Specifically, if line programme officers cannot read and understand the donor generated project materials (and too many cannot), they have lost control of the project and that part of the overall programme which they are supposed to manage (Picard and Garrity, 1993).

Donors will almost invariably refer to their relationship with recipients as a 'partnership'; however,

> "[t]o some, ... , 'partnership' carries neo-colonial overtones. Donors are usually regarded as having more rights and fewer obligations than recipients. The latter is supposed to have more gratitude than rights, to answer more questions than they ask, to accept a junior status in their partnerships." (Baldwin, 1990, p.96)

On the positive side, though, "[i]t is [this] inequality in traditional donor-recipient relations that many, in both camps, want to change" (Baldwin, 1990, p.96).

A step in that direction, Hyden (1990, p.57) suggests, would be for donors to see their rôle "... in the future ... increasingly [to] be one of facilitating local action rather than pre-empting local initiative".

The concept of a true partnership also carries with it the notion of equality of the partners; that requires a thorough understanding of each other's qualities and possible contributions. What donors do not realise, Cernea

maintains, is that "[o]rganizations, like knowledge, are forms of capital accumulation" (1988, p.50). In other words,

> "... [recipient] NGOs should not be regarded [by donors] just as a conduit for funds or as a means for implementing programs, but as a resource in themselves, a type of development capital. Thus building them is development." (Cernea, 1988, p.50)

Partnership in the true sense of the word also denotes a relationship in which parties are equally accountable to each other, and in which processes and decision making must be transparent to the other.

2.2.3 Accountability and Transparency

Closely linked to the problematique of donor/recipient relations are the issues of accountability and transparency, and linked to those are in turn questions relating to the type of finance granted and its effect.

When northern NGOs, such as the Foundations, fund African NGOs, a donor/recipient relationship is established. Baldwin (1990, p.95) describes this donor/recipient relationship as "the most troublesome aspect of North-South NGO partnerships", as northern NGOs, in effect, become "the bankers" for the African NGOs and heavy reliance is placed on project finance.

When discussing accountability, both donors and recipients usually think of it in the narrow sense, i.e. financial accountability, particularly in the realm of project finance. But even then wider issues impinge:

> "The use of project funding and the requirements of financial accountability inevitably become entangled with such issues as to how power should be shared, who has the right to define priorities, whether donors have a right to ask more questions about a recipient than the latter has about the donor and its source of funds, and the nature of equality and trust between partners." (Baldwin, 1990, p.95)

Related to this are other problems created by project finance; Baldwin (1990, p.95), for example, found that

> "[i]n general, recipient African NGOs are required to prepare detailed project proposals, with cost estimates and a timetable ... Where an African NGO program or project is funded by more than one northern NGO, there may be several different accounting and reporting requirements. In addition, project financing fails to cover non-project costs - that is, the African NGOs' administrative and overhead expenses (that cannot be allocated to individual projects) ... African NGOs complain that project financing is starving their 'core costs', those central activities and facilities on which they depend to strengthen themselves as institutions. Also, they say

there is no 'bridging money' to permit starting projects before project finance is found."

All this, obviously, translates into an enormous amount of control that a donor can have over a recipient. But whereas there is no question in anyone's mind, it appears from the literature, that recipients are fully accountable for moneys received, there is no reciprocity in the sense that donors account to recipients in terms of their decisions and policies, even as far they affect the recipients.

2.2.4 Donor Co-ordination

Apart from the obvious capacity building issues referred to above, a very important strategic issue identified by a number of authors (Picard and Garrity, 1993, Klitgard, 1990 and Hanlon, 1991, for example) is that of donor co-ordination, i.e. to get a 'fit' between national development policies and donors' agendas to guarantee a minimum of control over donor projects. Donor co-ordination is an issue that is given much lip service, but little action on the part of the donors, and it is the absence of such co-ordination which pulls the programme officer and a developing country in a variety of directions. Some authors go as far as to suggest that this brings with it a new form of colonisation (Hanlon, 1991).

The late President Samora Machel observed that there is no such thing as "free beer" when talking about foreign aid to Mozambique; this is not to

suggest that there is malice involved on the part of the donors, but simply that donors do have their own agendas and that if a host country does not manage to prescribe its own development policies and priorities, the donors will do it for the developing country - but according to the former's own national or institutional priorities.

Chapter Five - Synthetic Review will pick up on these themes, such as donor co-ordination and control over and by donors again, and look at the question to what extent the conclusions reached by the authors quoted in the Literature Review are true of South Africa.

Chapter Three

Methodology

3.1 Description of Methodology

3.1.2 The Sample

The sample identified consisted of four international donors; they are all German and attached to four political parties operating in Germany:

- The Konrad Adenauer Foundation (linked to the Christian Democrats)
- The Friedrich Ebert Foundation (linked to the Social Democrats)
- The Friedrich Naumann Foundation (linked to the Liberal Party)
- The Hanns Seidel Foundation (linked to the Bavarian-based Christian Social Party)

Between the four, they cover almost the entire spectrum of mainstream European party politics; although somewhat different in each country, the Christian Democrats tend to be the conservative parties in Western Europe, with a strong emphasis on free markets, law and order, and the preservation of family values.

The Social Democrats, the other 'big' party in Germany, is regarded as the party of the trade unions and often has a strong intellectual element, represented by the teaching professions. They are also committed to a free market economy, but lay more stress on the 'social safety net' than the Christian Democrats and assign a more interventionist role to the state. They do not engage in the often strongly socialist rhetoric of, for example, the (pre-Blair) British Labour Party or the French Socialist Party.

The small Liberal Party has the curious distinction of having been the coalition partner of the Social Democrats in the 1970s, and then toppling the government of which they were part and enthroning a new dispensation in 1982, this time with the Christian Democrats as the 'senior partner'. The latter coalition is still holding and governing - a now reunited - Germany to this day. The Liberals' philosophy is in the best, albeit a little adapted, tradition of John Stuart Mill, with great emphasis on individual rights and freedoms, but with a sizeable element of *realpolitik*, as their ability to stay in government for the past twenty-five years suggests.

The Christian Social Party (or CSU) is a regional party which only operates in Bavaria (one of the sixteen *Länder* that make up the Federal Republic of Germany), and is the third coalition partner in the present government. There is an agreement between them and the Christian Democrats that the former will not campaign and compete nation-wide,

and the latter does not operate in Bavaria. They tend to be somewhat more conservative than the Christian Democrats and have a staunchly Catholic element. Their competition, particularly in regional and local elections, are the so-called *Republikaner* and other right wing splinter groups. Their late leader was Franz-Josef Strauß, whom South Africans may remember as one of the few Western politicians who during the 1980s openly visited and supported the then South African government in a kind of Bavarian constructive engagement.

As a sample then, the four German Foundations operating in South Africa cover most of the political and ideological spectrum of Germany, as well as Western Europe.[1]

By the same token, their support of South African organisations spans a very wide political and ideological spectrum (as more fully explained in **Chapter Four**), that encompasses a former liberation movement, trade unions, civic associations, the Inkatha Freedom Party, the Democratic Party, institutions like the Legal Resources Centre and a defence policy institute, to name but a few.

[1] The Foundation of the Green Party is not fully operational yet and does not have an office in South Africa at this point.

3.1.2 Data collection and presentation

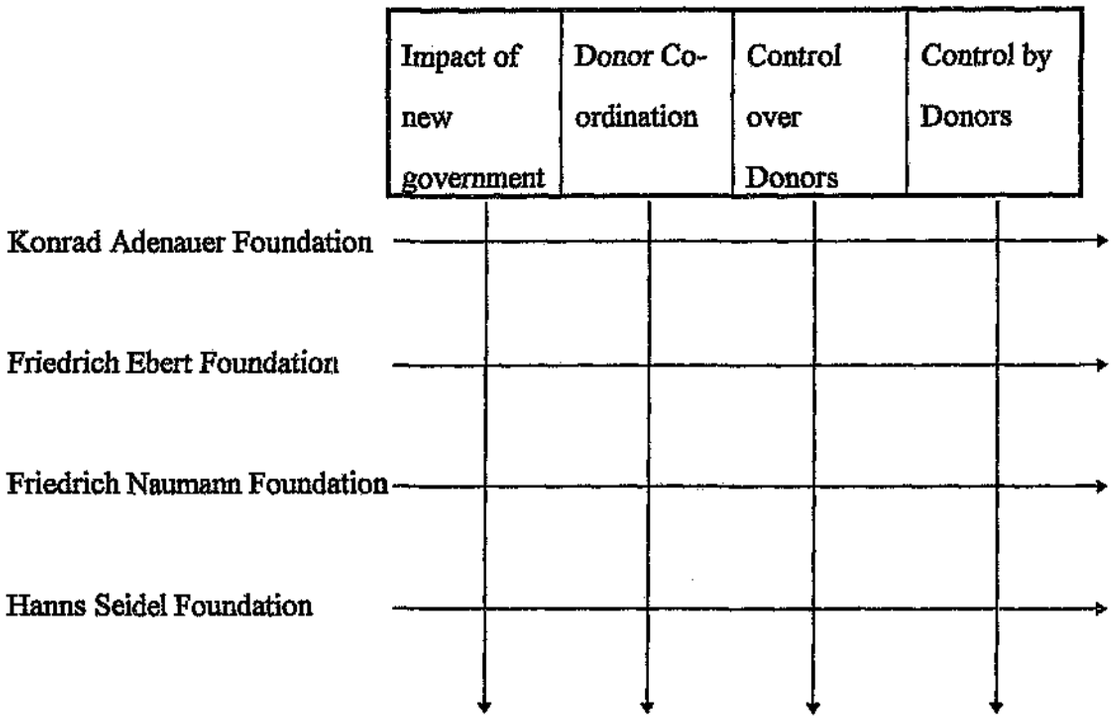
The primary method of data collection was by way of depth interviews with the four 'resident representatives' based in Johannesburg. In addition, each Foundation publishes information about itself and its work.

The research report first lists and describes the four organisations and their work. Graphically it looks as follows and is presented in **Chapter Four**:

Konrad Adenauer Foundation ——————→
Friedrich Ebert Foundation ——————→
Friedrich Naumann Foundation ——————→
Hanns Seidel Foundation ——————→

Then the questions, or themes, are introduced. The specific issues that were addressed in order to achieve the objective of the research question were: firstly, the impact the change of government has had on the donors' activities. This included particularly the question of whether there had been, or was going to be, a change of priorities on the part of the donors. Secondly, the extent of present donor co-ordination and gauging the willingness of donors to co-ordinate was examined. Another two questions, or themes, developed directly as a result of interviews with donors and recipients, namely the issues of 'control'. To the narrative and

descriptive horizontal dimension then, a critical and analytical vertical one was added in **Chapter Five**, like this:



This allowed for the respect of the internal logic of the institutions on the one hand and that of the themes, or questions, on the other.[2]

Some informal discussions took place with other staff members of the Foundations, as well as interviews with recipients of the Foundations' funds, conducted prior to the depth interviews with the 'resident representatives', and some afterwards. (The reasons for going this

[2] This method, albeit with case studies proper, was very successfully used by Pavlich and Orkin when they conducted research into academic development at a number of South African tertiary institutions (Pavlich and Orkin, 1993).

somewhat indirect route are described under the heading **3.3 Limitations of the Research**.) This meant that more informed questions in the depth interviews proper could be asked, and the interviewer was more sensitive to nuances. In addition, the researcher had the advantage of being German herself, i.e. she conducted the interviews in German, was familiar with certain ethnic peculiarities and could analyse the information received in the depth interviews against the specific national and political backdrop of the Foundations. All this contributed to the quality of the questions and, one hopes, of the answers and the analysis.

The depth interviews took the form of one long session, ranging in duration from one hour and twenty minutes (the shortest) to over three hours (the longest). The individual interview began by putting the interviewee at his ease, and only then the more controversial themes, as outlined above, were addressed. However, there was no ambiguity about the themes that concerned the research. The nature of the information sought meant that the issues were raised as open-ended questions (but with a rough time limit on each). Enough space and time were provided for the person interviewed to develop his own thoughts on topics that he may have considered important. Specific concerns raised by the preliminary discussions with the other staff members and recipients also contributed to such additional themes and questions. (See Questionnaires in **Annexures** I and II)

Due to the perceived sensitivities (see **3.3 Limitations of the Research**), the preliminary discussions were also held on a one-on-one basis, and not in focus groups, as one might expect. The structure was somewhat looser than in the interviews proper, since the interviewer attempted to draw more general information from the people concerned, but the themes were all brought up. The length of these preliminary discussions depended almost entirely on how much time people were prepared to spend and how much information they were able and willing to part with; again, the shortest lasted an hour and the longest three and a half hours.

One of the Foundation's staff members had indicated that her boss might feel uncomfortable around microphones and recording equipment, and the decision was therefore made that none of the interviews would be recorded magnetically.

3.2 'Case Study Logic'

Bailey (1992, p.50) suggests that "in simple terms, a case study is a study of people, events, organizational processes *in situ*, which incorporates a 'process of discovery'". In a limited way then a 'case study logic' was followed in this research in that

> "the investigator [desired] to (a) define topics broadly and not narrowly, (b) cover contextual conditions and not just the

> phenomenon of study, and (c) rely on multiple and not singular sources of evidence[3]." (Yin, 1993, p. xi)

Bailey (1993, p.50) considers a case study to be "an empirical inquiry that investigates a contemporary phenomenon within its real-life context" and that although

> "*prima facie* [case studies] do not meet the test of being scientific because they are too close to individual subjects with too many variables ... [c]ase studies have the potential to produce valuable information about the richness of human interaction." (Ibid)

All these issues concern this particular research, and hence it was appropriate to treat the four Foundations each as a limited case study, and the 'quartet' as another case study in terms of foreign donors operating in South Africa. Since "case studies as a method [do] not [imply] any particular form of data collection" (Yin, 1993, p.3) a qualitative approach, such as depth interviews, was entirely permissible.

That part of the research that is descriptive (the 'horizontal' level) in particular does not attempt to trace cause-effect relationships, but rather to present the "scope and depth of the object [...] being described" (Yin, 1993, p.2). Where the research then deviates from being a case study (or

[3] Another "important aspect of [case studies] is the use of multiple sources of evidence" (Yin, 1993, p.32), which is an aspect that is discussed at greater length below, in **3.3 Limitations of the Research**.

studies) proper, is that no causal relationships are being attributed, instead, specific donor organisations are made more transparent and a contribution is made to the understanding of a particular type of donor/recipient relationship.

3.3 Limitations of the Research

The greatest limitation of the research is that there was no time to conduct research among any of the other international donors, therefore restricting the application of the report's eventual findings. However, one may argue that the research will nevertheless provide valuable insights.

Another limitation was the sensitivity with which the topic needed to be handled; exploratory enquiries to two of the organisations' staff revealed that in terms of their institutional culture it would have been considered wholly inappropriate to approach anyone but the most senior person, and that interviewing other staff members would jeopardise access to the men in charge (as would the request to, say, interview staff members after the interviews with the 'resident representatives'). The staff members were willing to share their ideas and opinions on the basis that their identities would not be revealed, and that they would not be directly quoted. Since it would be a waste not to make use of their information and input and place in doubt the validity of the findings, it was decided that their

contributions would inform the questions and assist in the interpretation of the answers (as explained above).

Similarly, the recipient organisations that were approached informally proved unwilling to go on record proper, as they felt uncomfortable to criticise their funders too openly. They did agree, though, to discuss their experiences and observations about these specific donors, again, provided that they would not be identified or quoted directly. Their input was treated in the same way, *mutatis mutandis*, as the staff's contributions.

Other limitations came with the chosen method of data collection, i.e. depth interviews: as Jones (1985) discusses at some length, there is invariably criticism levelled at qualitative methods in general[4] and depth interviews in particular, namely that there will be so-called 'interviewer bias'. But these concerns, Jones argues (ibid, p. 48), are bound to notions of reliability and replicability, which have only a very limited application in this particular research. She goes on to explain that, instead,

[4] As Bailey (1992, p.47) puts it:

> "...there is a fundamental bias, an unarticulated value, favoring the acceptability of empirical or quantitative research methods over qualitative. Empirical or 'hard' methods, are considered *a priori* to produce more scientific, and thus better, findings than 'soft' methods. The result is a hierarchy of researchers based solely on their methods rather than the significance of their work. Scholars who utilize quantitative methods, the 'number crunchers', are revered while those performing qualitative ... research, which, done properly, can be more intricate, are devalued, if not scorned."

> "[w]e use our 'bias' as human beings creatively and contingently to develop particular relationships with particular people so that they can tell us about their worlds and we can hear them. In doing this we use ourselves as research instruments to try and empathize with other human beings. No other research instrument can do this." (Ibid)

Another reason for using depth interviews was put forward by Zabala (1991, p. 61) when he identified as a limitation affecting his research a certain amount of suspicion on the part of the recipients (all of them NGOs), who appeared to fear that any information they disclosed might be used against them in some way. He found that "face-to-face interviews" and personal contact were required to overcome this problem. Likewise, Walters (1989) in her study of voluntary organisations in Cape Town had to employ the same techniques to transcend distrust on the part of the community organisations she researched.

In this research too, the personal and relatively informal and relaxed atmosphere of a depth interview allowed questions to be asked and answers to be given that may well have been considered 'too close to the bone' in a more formal setting.

Since there was only limited 'triangulation'[5], one faces to some extent the limitation of what lawyers call *ipso dixit* evidence - that is one has to rely on what the witness says him/herself, without sufficient corroborating evidence. The discussions with the other staff members and with the recipients were able to compensate for this shortcoming to a great extent. In addition, the researcher employed here what in law is termed one of the 'cautionary rules': a presiding officer has to remind him/herself that s/he has listened to so-called single witness evidence and must bear this in mind when it comes to the interpretation of that evidence. The extent to which the other people's input counteracted this will obviously have differed slightly in each case.

[5] No other *method* was employed to verify the findings, but one may argue that there was some *triangulation of sources*, since the Foundations' own literature was studied, and some of their recipients and others who had had dealings with them were interviewed.

Chapter Four

The Four Foundations

4.1 The Concept of the German *Politische Stiftungen*

Each of the German political Foundations[1], or *Stiftungen*, is attached to a political party operating in Germany and represented in the *Bundestag*, the lower house of the German parliament[2]. They are financed by the German government, by way of allocating money for each party represented in parliament (the money will then go via the Ministry for Co-operation and Development to each Foundation).

Direct German bi-lateral aid agencies, such as the GTZ (*Gesellschaft für technische Zusammenarbeit*), are usually not supposed to engage in anything other than what one might call technical assistance in the wider sense, whereas the *Stiftungen* are meant to be active in the arena of political education and development.[3] The highest German court,

[1] The report tries to be consistent in the way it spells 'Foundations', but when quoting directly from the Foundations' literature it reflects the spelling as found in that particular piece of literature.

[2] That means that in a system of proportional representation a party must achieve five percent of the votes, in order to be entitled to be part of the *Bundestag* (there are some exceptions to this rule, but they need not concern one here).

the Federal Constitutional Court in a decision on the political Foundations concluded that

> "[t]he purpose of the foundations is to stimulate people's concern with political issues and to provide the framework for an open discussion - accessible to all interested citizens - of all political questions. As a result, interest is aroused in playing an active part in helping to mould social and political life and the necessary tools [are] supplied." (As quoted (in English) by Langguth, p.7)

The concept of the 'political Foundations' is closely tied to Germany's history; in the wake of World War II and the demise of the Third Reich the Federal Republic of Germany ("West Germany", as it came to be known) emerged in 1949 - thirty years after the ill-fated Weimar Republic was first proclaimed. The experience of a failed democracy and subsequent totalitarianism led to the belief that political education (*inter alia* through the *Stiftungen*) would achieve what the Weimar Republic had failed to accomplish, namely to develop and consolidate democracy in Germany. Hence the deliberate step to accommodate different political parties, all of which were loyal though to the German constitution and its commitment to democracy and individual rights and freedoms. It is also noteworthy here that the then government

[3] In other words, the GTZ is meant to drill boreholes, assist with infrastructure projects and so forth, whereas the Foundations are to engage in more politicised activities and may well support individual political parties.

decided against trying to provide civic education through its own institutions only, but rather chose to turn also to private bodies, such as the Foundations.

By the early 1960s it was believed that the Foundations, based as they were on a particular people's history and experience, could serve somewhat similar objectives abroad - particularly in what came to be known as the developing countries, many of whom were taking their first shaky steps towards democracy, just as the (West) Germans had done a few years earlier.[4]

The German Chancellor, Helmut Kohl, sees the Foundations in a broader national context, as a means to promote his country in the world:

> "For many years our republic [meaning West Germany at the time] has received not inconsiderable support from the political Foundations: the Konrad-Adenauer-Foundation, the Friedrich-Ebert-Foundation, the Hanns-Seidel-Foundation, and the Friedrich-Naumann-Foundation.

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[4] A further, and somewhat more sinister reason for getting involved in countries' political education process is offered by Schürmann (1989, p.15), he suggests that the post World War II 'Policy of Containment' meant strengthening the newly hatched countries of Africa and Asia not only materially to keep them out of the Soviet sphere of influence, but also in some instances politically.

> Outsiders observing the political life of our country and aware of the international reputation of the Federal Republic of Germany [i.e. West Germany at the time he gave the speech], know that this would not have been possible without the contribution made by the Foundations. ... The political Foundations do a great deal to enhance [West] Germany's world stature and the respect that we enjoy abroad. ... [They] take a part of our political culture and beam it throughout the world. ... I am delighted as Federal Chancellor [...] to express my gratitude to the Foundations for this outstanding service." (Kohl, 1989)

And the then *Bundespräsident* von Weizäcker (1985) opined that

> "the Foundations are linked to political parties. That is a good thing. The competition between the parties is indispensable. If we were to succumb too quickly to an illusion of harmony, we would not do justice to the problems, nor to human nature."

In a more recent development, the 1990s have witnessed a great shift of emphasis in the Foundations' attention from the 'traditional' developing countries to countries literally 'closer to home', namely the former East Germany and the formerly Communist states of Eastern and Central Europe.

4.2 The Konrad Adenauer *Stiftung*

4.2.1 Self Image

The Foundation is named after Konrad Adenauer, founding member of the Christian Democratic Party and West Germany's first *Bundeskanzler* (Chancellor) - a post he held from the country's inception in 1949 until his retirement in 1963. Adenauer was a feisty democrat, albeit with a tendency to see himself as a kind of philosopher king. He is still considered to be one of Europe's great post war leaders, even by those who did not share his political ideas, and is one of the founding fathers of what is now the European Union. The Foundation that bears his name is meant to uphold the spirit of his political legacy.

The Konrad Adenauer Foundation proper came into being in 1964 as an amalgamation of organisations that had been active in the sphere of political education since the 1950s. Gradually from 1962 onwards there was involvement in developing countries through the Institute for International Solidarity which in turn was part of the 'amalgamation' in 1964 (Deussen, 1980, pp.22 - 25).

In general, the Foundation is to pursue

> "charitable objectives that are purely and directly in the public interest. In particular it will:

- offer political education;
- research and document the history and development of the Christian Democratic movement;
- by conducting research and giving advice, lay the foundations for political activity,
- support European integration, promote international understanding by circul ting information and organizing meetings, and provide aid through development projects and programmes,
- supply moral and material assistance to democrats suffering political persecution,
- further the academic education and continuation of training of talented young people of suitable character,
- promote art and culture by organizing public events and awarding grants,
- publicise the results of its work." [5]

(Konrad-Adenauer-Stiftung, 1993: Statutes, Article 2)

In addition, in a pamphlet on its work in South Africa the Konrad-Adenauer-Foundation explains how the organisation sees the role of institutions such as itself in a broader political, social and economic context:

[5] This is the *English* version of the Foundation's Statutes as published by the Konrad-Adenauer-Foundation.

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> "[i]n its political Foundations, Germany has at its disposal an instrument that is ideally suited to forming early diagnoses of developments, thinking ahead and planning strategies for tackling the tasks of the future." (Langguth, 1993, p.5)

In the same document (ibid, p.9) it is stated that

> "[t]he aim of the [Konrad Adenauer] Foundation's work in Africa, Asia and Latin America is to further democracy and growth, to help indigenous populations to help themselves and to combat the causes of poverty."

Each Foundation is 'attached' to a political party, and the Adenauer Foundation is

> "intellectually and politically committed to the Christian Democratic Union (CDU). Legally, organisationally and financially however it is independent of the party. Its income comprises grants form the state[6], donations, contributions from participants and the proceeds of the sale of publications." (Ibid, p.6)

Its budget for the year 1993 amounted to some 225 million Deutsch Mark (about R518 million), 50% of which went to "projects in the

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[6] This appears to be by far the biggest contribution to the budget, but precise figures are not made available by the Foundations. See also on this issue **Chapter Five - Synthetic Review**.

field of development co-operation" (ibid, p.6). Working in more than 120 countries, the Foundation spent a total of 90 mi' n Deutsch Mark (approximately R207 million) on these activities abroa l and had some 100 resident German advisers *in situ*.[7]

4.2.2 The Foundation in South Africa

The Konrad Adenauer Foundation has been active in South Africa since 1981 when it opened its first office in Durban and is operating another office since November 1991 in Johannesburg.

Its budget for South Africa for the year 1992 amounted to 2.5 million DEM for its project costs; that excludes all costs in ::red for German experts on short-term assignments, all costs incurred by South Africans on sponsored study trips to Germany and all scholarships (Konrad-Adenauer-Stiftung, 1992, Press Release, 14 July).

Their pamphlet entitled **On Behalf of Freedom and Justice** (Konrad Adenauer Foundation, 1994) lists the Foundation's partners and activities in the country:

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[7] As far as international co-operation is conc rned, even in a pamphlet published in South Africa about their work here, the Foundation makes it absolutely clear that:

> "Of particular importance to the [Konrad Adenauer Foundation] is helping the countries of central and eastern Europe, including the states of the former Soviet Union. A key issue in the context is the kind of social order that those countries will ad , and here the Foundation campaigns for the principles of the tried and tested social market economies." (Konrad-Adenauer-Stiftung (1993): **Democracy and Development**, p.9)

- Development Projects:
    - ◊ Co-operative Development Programme[8] - providing active assistance and leadership training in support of self-help groups and co-operatives.
    - ◊ Democracy Development Program[9] - promoting democratic principles in the RSA through educational activities, counselling and political analysis.
    - ◊ Get Ahead Foundation - promoting entrepreneurs and their businesses through training and individual counselling.
    - ◊ Rural Foundation - providing education and training based on the principles of self-help, within the context of a comprehensive rural development strategy.

- Political Dialogue Programme - supporting democratic training and political dialogue in the fields of civic education, federalism, local government, women's issues and conflict resolution, in order to promote a political culture based on universal democratic principles.

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[8] The Co-operative Development Programme is part of the Inkatha Development Office.

[9] The Democracy Development Programme is a department of the Institute for Federalism and Democracy, formerly The Inkatha Institute.

- Scholarship Programme - for talented South Africans, with a special emphasis on community development, journalism and business administration.

- International and National conferences - addressing subjects of a political and developmental nature.

- Study Tours - to the Federal Republic of Germany, designed for political parties and interest groups in order to foster national and bi-lateral political dialogue.

- Publications - political information and educational reports."

The local chief representative for the Foundation (resident in Johannesburg) stressed the fact that much of his organisation's emphasis is directed at a so-called partner approach, i.e they look for partners (as opposed to one-off projects) and enter into contracts with them for a maximum of three years. Mr Spengler though knew of some partners (in other countries) where such a relationship had continued for twenty years. A partner is chosen with great circumspection, he emphasised, and once such a relationship has been established the Foundation acts with great loyalty towards its partner and supports the organisation very broadly. That can turn out to be an embarrassing or difficult position to be in, politically speaking, particularly in a

fluctuating and dynamic environment, such as South Africa's political scene. There were persistent comments from a variety of other interviewees that, for example, the Adenauer Foundation's opening of a Johannesburg office (there already was an office in Durban) was due, at least in part, to its desire to distance itself from the Inkatha Freedom Party's institutions, without abandoning the partner.

The other aspect of their work they call *Regieprojekte*[10], 'directed projects'. Such projects are of an *ad hoc* nature and have been in the realm of education, research and publications and have been directed at NGOs, universities and in a couple of exceptional cases even 'partners'. This also includes putting experts from Germany at an organisation's disposal, for example a German constitutional law expert advising the IFP.

Identifying both partners and *ad hoc* projects is largely left to the resident representative, but must be sanctioned by the head office in Germany. Mr Spengler did not foresee taking on any new partners in the medium term, but relies on the present partners to identify and suggest projects beyond the regular partnership relationship. However, the head office does issue policy guidelines in the sense that certain areas should be emphasised, e.g. at present 'women and gender issues'. It also co-ordinates the different country representatives'

[10] This is an interesting choice of phrase: in German, as in French, the *Regiesseur* is the equivalent of the English film director, a *Regieprojekt* then is a project that is directed or, more benevolently expressed, guided.

suggestions as to where they would like to set certain accents, say in southern Africa.

A difficult situation arises when visiting German Members of Parliament, or resident Embassy staff are approached with requests for assistance and a Foundation is then identified as the appropriate vehicle to fulfil promises made at an ambassadorial cocktail party. Mr Spengler described this situation as a "complicated" one where on the one hand there is the political will and power which then looks on the Foundations' side for the capacity and the money to fulfil such promises.

In exceptional circumstances the German Ministry for Co-operation and Development (BMZ) may approach a Foundation and ask it to run certain projects, but will in that instance also provide the finance needed. This happened for example prior to South Africa's first national democratic election when the Ministry made money available to the Foundations to support voter education programmes.

Mr Spengler felt that he had considerable freedom to make his own decisions as long as he moved within the framework accepted by the board of the Foundation. However, he did relate that he submits a form for every action he takes 'to cover himself', as he put it, so that no one can later suggest that measures taken by him were not in line with head office policy.

He laid great store by the fact that his Foundation is not 'for or against any party', but is looking for people or organisations whose philosophy is compatible with that of the Adenauer Foundation's, such as a commitment to multi-party democracy, federalism and a market economy. The Foundation then may well support the government in one country and the opposition in another, depending on whose ideology they feel more comfortable with.

Mr Spengler gave as an example for such involvement having Trevor Manuel's (then deputy in the ANC's economic department) visit to the Federal Reserve Bank in Germany.[11] This measure, Mr Spengler explained, was not meant as a gesture of support towards the ANC, but intended to assist the government in decision making processes. He suggested that all the Foundations are becoming more concerned with themes, or issues, rather than with supporting only particular individuals or organisations. One of the Adenauer Foundation's declared aims, he stressed, was to contribute towards a reduction of polarisation in the South African population and to 'build bridges' by way of utilising the Foundation's influence and relationships with eminent South African individuals and organisations and by sponsoring seminars and workshops across the party political spectrum.

When discussing recipients, Mr Spengler expressed the opinion that there is too little contact between recipients of the Foundation's funds and assistance, and that that is an area in which he would like to see

[11] Mr Manuel rose subsequently to the position of Minister of Trade and Industry and is at present Minister of Finance.

his organisation being more active. When they did organise a seminar in South Africa and invited all their southern African partners who dea[l] with rural development it was judged a highly educative and valuable occasion for the various institutions. He did say though that wherever possible the Foundation tries to get partners into contact with each other and facilitate networking.

As far as the Reconstruction and Development Programme is concerned, Mr Spengler believes that for the work of his Foundation can at best be a kind of framework. He stressed that in general he believes that such a programme should concentrate on creating an enabling environment without being too specific. Drawing on his previous working experience in Tanzania, he suggested that otherwise the stage of needs assessment is taken from the communities which are ultimately to benefit and moved to development bureaucrats.

Contact between the four German Foundations operating in South Africa was described by him as "good", but "unsystematic", with information exchange depending on the personal contact between the different Foundations' staff members. He did not feel though that that was a problem since there is only a small number of people involved (a dozen or less). The same applied to the question of information exchange between international donors in general; the circle of people involved was judged to be so small that everyone knows what everyone else is doing anyway.

Co-ordination was not considered by him to be of any great importance, neither between the Foundations nor between international donors in general. Every country, and for that matter every institution, has its own priorities and areas of emphasis anyway, he maintained, and want their own people to see to it that goals that are judged to be important are reached. He had seen other "co-ordination efforts" in other countries and they had made little or no impact there. From the donors' point of view he thought that such co-ordination had a lot in common with the Ten Commandments: everyone is all for it and no one adheres to it.

Mr Spengler also stressed that the Foundations' work is to a large degree an extension of German foreign policy, or rather an addition to it, and that they move within the framework set by the German Ministry of Foreign Affairs and the Ministry for Economic Co-operation (BMZ), the government's foreign development ministry.[12]

[12] For a closer description of the interesting and important relationship between these two ministries and the Foundations, see **Chapter Five - Synthetic Review, p x.**

4.3 The Friedrich Ebert *Stiftung*

4.3.1 Self Image

Friedrich Ebert was the first *Reichspräsident* of the Weimar Republic[13], and held that office from 1919 until his death in 1925. Within three days of his death, the Foundation that still bears his name was founded to commemorate the "most shining example yet of the ascent of a man from the working class to the highest achievements for the common good" (Friedrich-Ebert-Stiftung (1990), p. 4 - the author's translation).

The Foundation describes itself as a

> "charitable, private, cultural institution which is grounded in the ideas and basic values of social democracy and the labour movement." (Friedrich-Ebert-Stiftung (1990), p. 7 - the author's translation)

It sees its tasks as

> "• the political and civic education of people from all walks of life, in a democratic spirit;

[13] And therefore Germany's first democratically elected Head of State ever.

> • the promotion of international understanding and partnerships with developing countries;
>
> • the promotion of academically gifted students of suitable personality, as well as young academics at home and abroad by means of scholarships;
>
> • academic research in our own institutions and the promotion of research; and
>
> • the promotion of arts and culture as elements of a lively democracy."
> (Friedrich-Ebert-Stiftung (1990), p. 7 - the author's translation)

The Friedrich Ebert Foundation is active in the following areas and ways (Friedrich-Ebert-Stiftung (1990), p. 8):

- Political education, for example through seminars.
- Assisting partner organisations in the trade union movement, in the political arena, in the academic or cultural sphere through economic development, training in the realms of media and communication, and practical research in the countries of the 'third world'.
- Awarding scholarships.
- Research in the fields of social sciences and history, women's studies, international co-operation and foreign policy.
- Research about the lives and work of Marx and Engels.

- Collecting material about the history of the German labour movement.
- The Foundation's own library.

Interestingly, unlike the other Foundations, it still regards its work in the developing countries as the main task of its international activities, although the formerly communist states of Eastern and South-Eastern Europe are listed as particularly important (Friedrich-Ebert-Stiftung (1990), p. 16).

In southern Africa the Foundation wishes to make a particular contribution to the effort of overcoming Apartheid in both Namibia and South Africa by supporting SWAPO in the former country and the ANC in the latter.

4.3.2 The Foundation in South Africa

The Friedrich Ebert Foundation has been active in South Africa since 1982, but has had a physical presence in the country only since 1990, first in Cape Town, then in Johannesburg.

Mr Schillinger, one of the local representatives, saw rendering assistance in policy formulation and in civic education as the Foundation's main areas of involvement. In the 1980s primarily research projects had been supported, most of which were based in Cape Town. The Foundation also arranges for South Africans to visit Germany; for example it invited seven constitutional experts to pay a

visit to the German Constitutional Court and related institutions. Some of them have subsequently been appointed as judges to the South African Constitutional Court, and Mr Schillinger felt that his Foundation had delivered, a contribution albeit small to their development.

Being aligned with Germany's Social Democratic Party and having its roots in the German labour movement, the Friedrich Ebert Foundation has, what Mr Schillinger termed 'natural partners' in South Africa, namely the ANC and COSATU. The Foundation educates its partners about itself through brochures and such like, but mainly, Mr Schillinger suggested, through 'word of mouth' and personal interaction between Foundation representatives and partner organisations.

He explained that on the one hand the Foundation searches for partners and projects and on the other that people come to them with requests for assistance out of their own accord. His office receives three to four such requests per day; most of the organisations or individuals contacting the Foundation appear to have found about its activities 'through the grapevine'.

The staff complement of this Foundation differs markedly from the other Foundations': firstly it is by far the biggest with thirteen people (versus six in the other 'big' Foundation, the Konrad-Adenauer-Stiftung). Secondly, of the thirteen people only three are German and the rest South Africans.

The local representatives are accountable to their head office in Bonn both financially and in terms of the content of their work here. Some of the reports are sent monthly, others bi-annually and some *ad hoc*. The head office again has a division dealing with 'international development', which in turn has a specialist for southern Africa and an expert for each area in which the Foundation is active, namely economic development and media and communication. In identifying particular areas of involvement for the Foundation in a country, the locally based representative acts as expert adviser to the German head office. The local representative is very much 'in the driver's seat', is how Mr Schillinger explained the balance of power. There are, however, occasions when someone from the head office will suggest that a particular programme or idea that has worked well in another part of the world should be tried in South Africa, too. Such an initiative can be blocked, Mr Schillinger explained, but that would obviously not be in the representative's interest, and, as he put it, one tends to respond rather enthusiastically to such suggestions.

His contact with other international donors is informal, but good with those with whom he has cross-cutting interests, e.g. the Canadians. Everyone attends the same cocktail parties, he suggested, and that is where much information gets exchanged. As far as the other Foundations are concerned, he is intent on preventing any two of them supporting the same funding proposal, and there is communication to that effect between the representatives. But again the contacts were

described as informal and there is no such thing as a 'German Foundation Forum'.

When asked about the RDP, Mr Schillinger said that all the work the Ebert Foundation does is in any event 'RDP work'. He sees his Foundation as engaging in political work, but not only political work, and mused that should it become necessary to tag everything to conform with the RDP then that could also be done. But he was in principle vehemently opposed to channelling Northern NGO support (or South African NGOs' activities) "through the RDP office as if through the eye of a needle". That, in his opinion, would undermine exactly what NGOs are good at, namely maintaining such a broad spectrum of activities and supporting such a wide variety of people. So while agreeing that there must be some co-ordination of, and information about all the development activities, he did not believe that there should be measures beyond that. He added here that particularly information exchange is so very important, not least because it allows one to improve one's own programmes and projects. He mooted the possibility of regular, but voluntary meetings of international donors. He distinguished here between NGO-type donors and bi-lateral ones; the latter are invariably tied into the LDC's government policy by way of an agreement between the two governments, he suggested, and the amounts involved are also far greater. It is in this realm he believes that foreign aid should be brought into the scope of the RDP; in fact he described such a move as "right and necessary". The very idea to restrict NGOs in the same way, though, would go against the very principles of civil society, he felt, and the creation and preservation of

a spectrum of different ideas and points of view - all of which in his opinion add to the pluralism necessary for a functioning civil society.

But work has changed greatly for his Foundation, he explained; before the elections they had worked closely with the ANC as opposition party - now the ANC is the senior partner in the government. That means the Foundation finds itself working with government institutions - something that would have been unthinkable even a little while ago. With their partners undergoing such profound transformations, Mr Schillinger said, the Foundation's work was also undergoing many concomitant changes. The Foundation had in the past also engaged in some projects that were not bound by party politics, and he suggested that there will be increasingly more of those. In general he found that there was a greater movement towards issues, or areas of interest like the promotion of democracy in general, rather than supporting only one party or institution.

4.4 The Friedrich Naumann *Stiftung*

4.3.1 Self Image

The Friedrich Naumann Foundation is aligned with the small Liberal Party and sees itself as "related to the liberal movement world-wide" (Friedrich-Naumann-Stiftung (1993): **Ideas on Liberty - Training in Freedom and Democracy**, p. 1). Established in 1958 by the first President[14] of the Federal Republic of Germany (i.e. West Germany) Theodor Heuss[15], it had as its main objective the provision of "civic education to the German public and in particular to individuals and groups interested in liberalism and democratic values" (ibid). Friedrich Naumann, after whom the Foundation is named, was a famous liberal politician in Germany, who, for example, founded a School of Civic Education already at the end of World War I. He wanted to "enable people to assume an active role in shaping the political conditions under which they live, and not merely to endure them" (ibid). The Foundation that carries his name still subscribes to that idea.

Its funds are derived from the German government. Its budget for the year 1993 amounted to some DEM 102.5 million (R 235.75 million). Of that money DEM 38.76 million were spent in Germany itself, against DEM 63.75 million abroad. (That sum, though, appears to include administration costs of the Foundation's offices in the various

[14] The position of *Bundespräsident* is largely that of a ceremonial Head of State, and is not an executive position.

[15] Heuss had been Friedrich Naumann's student.

countries.) Of the 1992 budget, almost all monies came in the form of state grants from one ministry or another (figures for later years were not available) (Friedrich-Naumann-Stiftung (1993): **Jahresbericht 1992**, pp. 127 - 133). In 1992 the Foundation spent DEM 4.2 million in the southern African region.

Outside of Germany, the Friedrich Naumann Foundation concentrates on the following areas:

> " - Supporting Human Rights and Promoting the Institution of Pluralistic and Civic Societies in cooperation with relevant partners and through seminars and courses [...].
>
> - Promoting the Freedom of [the] Press, including training of journalists of electronic and print media, facilitating regional cooperation and advising on media policies and law.
>
> - Promoting the Principles of [a] Market Economy, including support for small enterprise development, strengthening business associations, facilitating economic policy dialogue and fostering deregulation of [the] national legal framework." (Ibid, p.2)

The Foundation also indicates its great interest and involvement in the newly democratic countries of Eastern Europe, and now operates in some sixty countries world-wide.

In the wake of an organisational restructuring, the Foundation decided to decentralise and to delegate decision making powers to regional offices. A new regional office for southern Africa was established in Johannesburg, in addition to already existing national ones in Lusaka, Harare and Cape Town (Friedrich-Naumann-Stiftung (1993): **Ideas on Liberty - Training in Freedom and Democracy**, p.2). This means that unlike some of the other Foundations' offices, certain decision making powers affecting programmes, a regional budget and staff can now be made at a regional level and do not have to be referred to Germany.

4.32 The Foundation in South Africa

The Foundation has been present in South Africa since 1985 with offices in Cape Town.

The Naumann Foundation's partners in South Africa are[16]:

- IDASA;
- the South African Liberal Students Association (SALSA);
- the Legal Resources Centre;
- the Helen Suzman Foundation;

[16] In the course of 1996 the Foundation intends to get involved also in the economic arena, such as small and medium-size enterprise development and regional economic co-operation.

- the Democratic Party Youth;
- and the Free Society Project (part of the South African Institute of Race Relations).

Dr Freier, the regional representative, distinguished here between two types of partners; on the one hand there are so-called co-operation partners with whom the Naumann Foundation shares some common goals and values. Here the Foundation will assist programmes, but will not render in..tutional support. Partner institutions, on the other hand, are those whose goals and values are the same as the Naumann Foundation's and which therefore also receive institutional support. Su..h support, though, he emphasised does not mean the Foundation will meddle in a partner's affairs, but does entail a commitment towards capacity building.

The Naumann *Stiftung*, Dr Freier thought, sees itself more as an interested partner than as a donor in the old mould. Partners usually approach the Foundation (rather than the other way round), because they relate to the kind of values and goals that the Foundation stands for. The Foundation on the other hand is not interested in 'giving money away whole-sale', as Dr Freier put it, but rather in helping to work on, and towards liberal policy options, i.a. by making an international spectrum of liberal policy options available.

The 'financial' relationship between the Foundation and a partner is governed by the rules of the German *Bundesrechnungshof* (Federal Auditor-General's Office), as it is for the other Foundations as well.

Beyond the financial, though, the reporting structure differs from partner to partner, but consists typically of a bi-annual report, which the Foundation then again includes in its own reports.

Like his counterparts, Dr Freier described the degree of co-operation between the Foundations as "good". He thought, though, that there was often a problem of perception on the South African side, in that the Foundations' different political stances tend to be interpreted as a form of competition, rather than as a reflection of Germany's political pluralism.

Given the Foundations' main source of finance, the German government, Dr Freier thought it only natural that the Foundations are too often confused with bilateral donors. On the other hand, he explained, a German government would be ill-advised to try and rein in the Foundations, lest a Foundation's aims and objectives in a country become confused with those of the German government. This he felt was particularly important since the German government will mostly work with another nation's government; if the German government then for example wishes to encourage or support democratisation, it often cannot do so through the host country's government, or at least not exclusively through it.

Host countries that try and control foreign NGO activity, in Dr Freier's experience, tend to be undemocratic states, such as Kenya in the latter part of the 1980s. Such moves, in his opinion, had always less to do with trying to maintain control over the national development process

and more with the political desire to limit the spectrum of political activities. He thought it would be highly ironic if an ANC-led government, with its strong commitment to democracy and pluralism, should prove more restrictive in this area than the old National Party regime. He judges the degree of freedom with which foreign NGOs can operate in a host country to be a reliable indicator of the degree of freedom in a country and the depth of its understanding of democracy. The very fact that the German Foundations can support a wide range of political parties or interests[17] is for him a sign of a well developed political culture in South Africa. However, he pointed out, one must remember that his remarks relate particularly to the *politische Stiftungen*, and that one must separate their functions and objectives from normal bi-lateral aid and technical assistance. Like the other Foundations' representatives, Dr Freier was adamant that the political Foundations should not "drill boreholes", but concentrate on the civic and political arena and should engage even more in supporting the regional and international exchange of ideas and knowledge than they do at present.

As far as the RDP is concerned, Dr Freier considered it only important, or of relevance to the Naumann Foundation in its civic and political aspects; and since he agreed with what the document expressed there, he foresaw no areas of conflict for his institution.

[17] That is, the Konrad Adenauer Foundation supporting institutions linked to the Inkatha Freedom Party, the Friedrich Ebert Foundation organisations close to the ANC, the Friedrich Naumann Foundation Democratic Party affiliates and the Hanns Seidel Foundation people and institutions close to the National Party.

His biggest concern with regard to international donor involvement in South Africa was that the international community, which had had so much to say about the process of change in South Africa (including how exactly it ought to change), may take on the role of an observer, instead of ensuring that those gains made up to now are secured. He regarded the latter as a tedious, time-consuming and long-term process which 'looks less good in the northern media', but which ultimately is infinitely more important. Dr Freier sees the international community's role in general as one which has a technical, or material aspect, but beyond that it should extend to offering ideas and advice in the political and economic policy arenas.

4.5 The Hanns Seidel *Stiftung*

4.5.1 Self Image

The other 'small' Foundation under discussion here has a fairly lengthy mission statement, namely:

> "To provide support for research and teaching. To conduct scientific studies, to discuss and publish ideas and innovations in order to provide a forum for new and better solutions.
>
> To offer a broad range of political education, in commitment to the values of Christian humanism for citizens working actively on behalf on democracy in the state and society.
>
> To [promote] understanding between nations, by means of an international dialogue in full awareness of our common responsibility for the protection of human existence on earth, for peace and justice.
>
> To secure elementary, basic needs; to set up efficient economic systems, effective administrations and free societies. To help people to help themselves.
>
> To establish equality and opportunity for all. To promote individual achievement according to ability and calling by means of adult education, vocational training and scholarship programmes.

> To foster intellectual, creative achievements in Bavaria[18]. To reserve historic monuments and lively customs in the tradition of the Bavarian cultural heritage." (Hanns-Seidel-Stiftung (1994): **Hanns Seidel Foundation - Worldwide**, p. 2)

Like its counterparts, the Hanns Seidel Foundation stresses its particular commitment to the Eastern European countries and pledges its assistance in their quest to create "a culture of political pluralism" (ibid).

The Hanns Seidel Foundation was founded in 1967 and had the same chairman from its inception until 1993; the Foundation pays great tribute to the man whom they see as their spiritual leader, the late Franz Josef Strauß (see **Chapter Five - Synthetic Review**).

4.5.2. The Foundation in South Africa

The Hanns Seidel Foundation has been active in South Africa since 1991 and lists as its primary objective "to assist in a peaceful political transition" and adds that "we did so with the necessary discretion that is required from a guest in this country" (ibid).

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[18] Bavaria is usually considered the most conservative of the German states, and has a reputation for being staunchly Catholic and fiercely traditional. A lot of German stereotypes that people believe to be intrinsically German, such as a slightly overweight man with handle bar-moustache in *Lederhosen* swinging a five-litre beer mug, is actually a Bavarian archetype, whose appearance in Cologne would be as strange and noticeable as in Copenhagen or Cartagena.

In line with this aim, the Foundation supports:

- The Institute for Multi-Party Democracy; and
- The Institute for Defence Policy.

In addition, the Hanns Seidel Foundation is engaged in a southern African regional project aimed at economic development by enhancing information exchange between the various countries' Chambers of Commerce. It also lists a number of small projects in "underprivileged communities" (ibid, p.3) meant "to improve the social framework, the living conditions and the employment situation in these areas" (ibid).

The local representative, Mr Linska, explained that since South Africa is by far the most important country in Sub-Saharan Africa, the Foundation's efforts in the region are concentrated on this country.

Through their involvement with the Institute for Multi-Party Democracy, the Foundation feels it is supporting the political education of 'middle management' in all political parties operating in South Africa, from the Freedom Front to the PAC.

Mr Linska suggested that their work with the Institute for Defence Policy was particularly valuable, because the Foundation had been in a position to bring people together who had been on opposing military sides of the Apartheid struggle. This involvement stretched also to sending a group of military people from both the SADF (now SANDF)

and Umkhonto we Sizwe to Germany to visit the *Bundeswehr* (German Army) and the Ministry of Defence. Questions that had relevance for the visitors and in which the Germans had had some experience were, for example, the integration of formerly opposing soldiers into a national army, international peace keeping ventures, governance issues, the role of a country's army as part of a regional military establishment and so forth.

In the development arena the Foundation is involved in a training institute in the Western Cape which trains domestic workers and allows them to specialise, e.g. in child care, or frail care. The training centre actively seeks placements for their graduates and Mr Linska mentioned a success quota of 78%.

Unlike the other Foundations, the Hanns-Seidel-Stiftung did not appear to have 'natural partners', Mr Linska maintained, and it was he who established contacts with potential partners (e.g. through the German embassy) and who in turn was approached by institutions and individuals (such as Dr Cilliers who went on to found the Defence Policy Institute). He stressed that unlike the other Foundations, his organisation was not easily identifiable with any political party in South Africa.

The contacts with his counterparts in the other Foundations he described as being largely of a social nature, and explained that he would phone them occasionally or 'go out for a beer together' in order to exchange information and ideas. There is a certain amount of co-

ordination that takes place, he explained, so that no two Foundations do the same thing with the same partner. He prefers in fact not to work with any of the other Foundations' partners at all.

On the question of co-ordination among donors in general he took the position that there should be co-ordination of bi-lateral donors, i.e. among government and government, but not of NGOs like his own organisation. Mr Linska thought that it would be normal to keep the overall aim of a government's development policy in mind, but that he would strongly object to having his projects prescribed to him by the authorities of a country.

He emphasised that as a political Foundation one should concentrate on political work, and feels that that is indeed reflected in his Foundation's work. At the same time it is not the aim of an institution such as the Hanns Seidel Foundation to play the role of assistant in government programmes. The only area of his work where he foresees the RDP having any influence is in the small 'economic' projects, such as a new proposal to train 'small builders' together with the local Chambers of Commerce. What was important to him was that the Friedrich Ebert Foundation, which does a lot of work with small businesses, was not involved in the project - the fact that this kind of project would fall within the scope of the RDP appeared to be of little relevance to him.

As far as Franz Josef Strauß's 'constructive engagement' is concerned, Mr Linska said that this must be seen against the backdrop of the Cold

War, in which the then South African government and the ANC were players - in opposing teams. He maintained that this connection has not in any way harmed the Foundation's work in the country. Linska maintained that Strauß, being a known conservative, had more access to, and therefore more influence on Foreign Affairs Minister Pik Botha - as he then was - than German Foreign Minister Genscher, then the Liberal Party boss. By the same token, none of the other Foundations in his opinion could have touched the army project - both the SADF (as it then was) and the National Party government would have balked at the very suggestion.

Generally he foresees that in his Foundation's work there will be greater emphasis on regional (i.e. southern African) work, particularly with the military projects, and less focus on South Africa.

He stressed that capacity building is an immensely important aspect of the Foundation's involvement with their various partners, and that every effort is made to make these organisations as independent as possible. The task of the Foundation was described as by him as "motivating, encouraging, promoting, assisting in initiating ideas, but not doing the work for the partners, helping so that the partners can help themselves".

Mr Linska thought that the most important contribution international development initiatives could make in South Africa would be to promote stability, without which there would be no local or international investment and hence no economic recovery and growth.

Having said that, he warned of trying to superimpose models from donor countries onto the South African political or economic landscape. Any efforts that are made must be compatible with the cultural context in which they are placed, he stressed.

Chapter Five

Synthetic Review

5.1 Themes Revisited

Having related the 'horizontal level' of the research in the previous chapter, and having allowed each Foundation to tell its own story as it were, this chapter will concern itself with the vertical dimension of the study, i.e. the themes. To the narrative and descriptive horizontal dimension then, a critical and analytical vertical one will now be added.

The specific themes that were addressed were: firstly, the impact the change of government has had on the donors' activities. This included particularly the question of whether there had been, or was going to be, a change of priorities on the part of the donors. Secondly, the extent of present donor co-ordination and their willingness to co-ordinate was examined. Themes number three and four developed directly as a result of interviews, with donors and recipients, namely: the question of control over donors, and lastly the issue of control by donors (more specifically: accountability and transparency).

5.2 Change of Government (Theme # 1)

The question whether the change of government in South Africa has wrought changes in the Foundations' work was answered with a 'yes' by all of them. However, it had meant very different things for the different organisations.

For the Naumann Foundation the changes have been in the wider sense of allowing for more political freedom and activity; in addition, some of the functions of partners that have been supported, such as some aspects of the work of the Legal Resources Centre (e.g. rendering legal assistance to indigent people) may in the future be taken over by the Ministry of Justice, for example. Dr Freier also suggested that the Foundation's work could in future become more overtly political and partisan in the attempt to foster political pluralism in general and liberal pluralism in particular. (His colleague from the Ebert Foundation took the opposite point of view, as explained below.) He predicted a 'separating the wheat from the chaff' process within the South African NGO community when international funding would become less, and controls, both in terms of accounting and quality of work delivered, would become tighter.[1]

Similar to the Naumann Foundation, the representative of the Seidel Foundation thought his organisation's work had become easier since

[1] He suggested that firstly there would be less money going to South Africa in general over the next five years and secondly that much of that money in the form of bilateral aid would go to the government rather than NGOs. By November 1996 one can safely say that these predictions have indeed been borne out.

the change of government. That had nothing to do with democracy as such, he explained, but simply with the degree of legitimacy that the new government has. Their work concerning the Defence Policy Institute, for example, does not meet resistance any more in this country.

The greatest changes were noted by the Friedrich Ebert Foundation, which found itself in a position of no longer supporting an opposition, but the main government party. The nature of the work has become more urgent, and one may argue, more important, since the Foundation's policy advice may now well impact on government policy (e.g. in the realm of small and medium size enterprises, to name but one area). Mr Schillinger also predicted a shift in his work in that the Foundation was now more likely to engage in broad measures for the support of democracy in South Africa, rather than following the present partisan approach of assisting mainly one political grouping. The Ebert Foundation's work would become 'more neutral', he thought. In this approach issues rather than partners or organisations would become increasingly important (e.g. workers' co-determination in the work place or regional co-operation between trade unions).

The Adenauer Foundation is now likewise in a situation where the political party that they are close to (the Inkatha Freedom Party) became part of the Government of National Unity, but that did not seem to have made any discernible difference to the nature of the work in this country. A member of one of their recipient organisations also stated that there did not appear to be any change in the way the

Foundation has conducted itself towards this particular recipient. The Adenauer Foundation's links to the Inkatha Freedom Party, however, had given rise to much unfavourable publicity in Germany; with the Inkatha Freedom Party joining the Government of National Unity, on the other hand, the old argument about the Foundations' supposed rôle of supporting political pluralism has meant that it must be much easier to explain the involvement with the Inkatha Freedom Party to disgruntled German taxpayers.

At least one development practitioner expected donors' attitudes to change since in his experience funding in the 1980s was "dished out largely on the basis that an organisation was anti-Apartheid". He, like Dr Freier, predicted that a lot more money would go to the government directly and be spent more in line with the donor country's foreign and trade priorities.

The surprising conclusion on this particular issue is then that the change of government has meant very few tangible changes in the *modus operandi* of the Foundations so far. This appears also true for the majority of the recipients associated with the Foundations.

5.3 Donor Co-ordination and Co-operation (Theme # 2)

The term 'co-ordination of donors' in this context meant the co-ordination of donor involvement by the South African government, i.e. outside control over donor activities. 'Donor co-operation', on the

other hand, is the phrase employed to describe the degree or extent of donors working with each other, exchanging information, pooling resources and so forth, and was by all interviewees taken to denote voluntary co-operation.

5.3.1 Donor Co-ordination

There was a great degree of unanimity on the part of the Foundations' representatives in that they all felt that bilateral aid efforts should be -ordinated, but NGOs like themselves should be left to set and follow their own agendas. This particular point of view was explained by one respondent (Mr Schillinger of the Friedrich Ebert Foundation) by referring to the sheer difference in amounts of money involved; bilateral (or multilateral) aid organisations have considerably more money at their disposal than northern NGOs. More importantly, and more profoundly, all four respondents questioned the motives for a possible move towards compulsory donor co-ordination. Their arguments in essence were that such an action would be against the very tenets of a democratic society and in any event probably futile, as it would be so very hard to enforce.[2] Mr Schillinger from the Friedrich Ebert Foundation stated that it was the very strength of both local and foreign NGOs that their activities were immensely broad, spanning all aspects of life and that it would be detrimental to have such activities go through 'the eye of a bureaucratic needle in Pretoria'. To allow only

[2] One may recall here the former South African regime's numerous efforts to limit funds flowing from abroad to 'troublesome' organisations or individuals, both in pre-independence Namibia and South Africa (starting with banning the South African Defence and Aid Fund in the early 1960s). Such attempts were met with very limited success and once a particular avenue was blocked by an act of parliament, the funds would simply flow through different channels.

for 'politically correct' NGOs to operate or to receive funding would fly in the face of the Foundations' avowed aim to support political pluralism, the representatives believed, particularly when dealing with advocacy NGOs, as opposed to NGOs active in the technical development field.

Dr Freier from the Naumann Foundation mused that just as the Foundations fought in Germany to maintain their independence, they would do the same in a host country.[3]

At least one respondent (Mr Spengler from the Konrad Adenauer Foundation) was candid enough to point out that northern NGOs, just like bilateral agencies, also have their own agendas and priorities they follow; and one may continue the argument by suggesting that for better or for worse those agendas and priorities may well be very different from what a host government wants, or even from what the affected local communities or organisations may desire. This point is amply borne out by the literature in general (see **Chapter Two - Research Question and Literature Review**) and by the information distributed by the Foundations about themselves (see **Chapter Four - The Four Foundations**). But it does not seem to be as severe as some of the literature suggests and it appears that particularly the more

[3] Subsequently Dr Freier's assertion was tested in Kenya and in the People's Republic of China; in the former a dispute arose when President Moi demanded that the Naumann representative in Nairobi stop supporting opposition groups and she had her permanent residence permit revoked when she rejected such a 'suggestion'. (The office had to move to neighbouring Tanzania.) In the latter case the Foundation caused a diplomatic 'incident' when it refused to cancel a conference about Tibet in Bonn at which the Dalai Lama was to speak. Again, the Foundation refused to back down, but had its office in Beijing closed and incurred the wrath of the German chancellor and German business interests.

sophisticated South African NGOs 'handle' their northern counterparts well; one recipient suggested that for him and his staff there is a certain amount of harmless fun to be had by quite frankly manipulating the Foundation's staff and allowing them to believe that it is the northern NGOs which 'call the shots'.

None of the Foundations' representatives appeared to take the proposition seriously that a government may be deprived of the power to set its own development agenda by donors - or at least not by northern NGOs.

The recipients and other development practitioners, however, were less sanguine about this point: one development practitioner who is part of a 'discussion group' (sponsored by one of the Foundations) which in essence functions as a think tank and is responsible for presenting policy options to one of South Africa's ministries, explained that the Foundation in question had behaved with the greatest sensitivity and tried very hard to involve local people in the process. However, in the end the work presented to the ministry was put together virtually exclusively by foreigners (mostly American as it happened) since all the 'grassroots people' had dropped out due to lack of time, capacity and resources. He was at pains to point out, though, that the Foundation had never tried to influence unduly or push a particular agenda, but that in effect this donor was making government policy in this particular area of development. Another recipient described 'his Foundation' as "being inclined to offer suggestions, but they don't prescribe". The recipient of a different

Foundation did complain, though, that there were fairly undisguised attempts at hijacking the particular process he was involved in; on closer inspection, however, that seemed to have a lot to do with the particular Foundation's representative's personality and bearing rather than the Foundation's policy.

Another recipient thought that both local and foreign NGOs should fight any attempt to force them to go through any government institution instead of dealing directly with each other; in his opinion democracy should be promoted by dividing power and resources, not by centralising them. A different recipient stated that in her experience any such attempt would lead to even more 'gate keepers', more red tape, more money spent on more bureaucrats and less money for development on the ground.

5.3.2 Donor Co-operation

When asked about co-operation among themselves, there was again a great degree of unanimity among the four Foundations' representatives. Such co-operation as was required and considered useful does take place[4], they said, albeit informally. Mr Schillinger from the Ebert Foundation stressed the importance of exchanging information about one's activities if one hopes to co-operate with each other. In this context he was willing to contemplate regular and formal meetings of northern NGOs - provided the meetings were voluntary. At such meetings, he thought, government priorities should also be

[4] For a more in-depth explanation of why, and how much co-operation is required among the four Foundations, see **5.4.2 German Government Agencies**).

discussed, so as to prevent duplication of efforts and identify possible areas of co-operation between the public and the non-governmental sectors. That should not mean, though, that NGOs - be they local or foreign - should have their priorities prescribed by anyone but their own organisations.

One of the recipients felt that it was important for donors and the government to discuss where the government sees a role for itself and what areas should be left to what he termed "private donor aid" in contrast to bilateral aid. Similar to Mr Schillinger (Ebert Foundation) this person felt very strongly that "private donor aid" should not go through government, because for him this was a way of ensuring that communities can take charge of their own development process. (Mr Schillinger has argued more broadly that government action trying to control where foreign (or local) non governmental money was going would amount to an infringement of the concept of a free society.) In essence then he argued that government control over donor NGOs, such as the Foundations, would be inimical to a good and healthy - and decentralised - development process 'from the bottom up'. Mr Spengler from the Adenauer Foundation had argued similarly when he suggested that too much control over private donors would eventually lead to the *locus* of needs assessment being removed from the communities and shifted to some bureaucrats' lair.

5.4 Controls over Donors (Theme #3)

5.4.1 Self-Control

All the Foundations, as explained in **Chapter 4**, have their specific ideological niches and traditional areas of interest. Aside from the obvious financial control (see **5.4.2**) there is also invariably an obligation on the local representative to see that his Foundation supports projects that fit the particular *Stiftung*'s *Weltanschauung* and objectives. With the exception of the Naumann Foundation, which has decentralised its decision making, it is the Foundations' head offices in Germany that need to be convinced of the "fit". A recurring theme among the recipients in this respect was that they felt that the Foundations tried to assess them in a European ideological frame of reference and that their organisations did not fit neatly into those foreign categories.

5.4.2 Control by German Government Agencies

As Mr Spengler from the Adenauer Foundation had stressed, 'the Foundations' work is to a some degree an extension of German foreign policy, or rather an addition to it, and that they move within the framework set by the German Ministry of Foreign Affairs and the Ministry for Economic Co-operation, the government's 'foreign development ministry'.

The most obvious form of control, though, over the Foundations' activities in South Africa is of course financial: all moneys spent must

be accounted for and checked first by the local office, then by the head office in Germany, then by the German Ministry for Co-operation and Development and finally by the German Federal Office of the Auditor-General.

In addition, the GTZ and the Foundations are forced to make sure that they are not in fact supporting the same projects, as explained above. On the one hand this means that that there is a certain built-in safe guard against an organisation receiving 'double-funding' for the same thing, but can lead to great frustrations on the part of recipient NGOs whose activities may straddle the divide between, say, a Foundation and the GTZ. One recipient noted though that from his experience he could only conclude that this rule appeared to be honoured more in its breach than its observance. Another one thought, and experienced, the competition between the GTZ and the Foundation she dealt with as particularly intense and unpleasant; she likened herself to 'blind man's buff' being pushed around between interests and institutions that she felt she did not understand and she failed to see why they could not all co-operate on a project. She had the same experience with other international donors, both bilateral and private, and wished that they would simply co-operate and communicate more with each other.

5.5 Control by Donors (Theme # 4)

5.5.1 Transparency and Accountability

On the whole recipients found donors in general and the Foundations in particular not very transparent for a variety of reasons; one person spoke of a culture within donor organisations that signals to recipients that they should be grateful for what they get and not ask any questions. A very senior staff member of an organisation who had worked with one of the Foundations for more than six years only found out recently what the Foundation really stood for; he put this down to the Foundation staff simply assuming that everyone in the recipient organisation knew and a lack of realisation on his part how much the two organisations had in common and that the Foundation could in fact be a lot more than just a source of money.[5] In his opinion the Foundation was not clear itself whether it was operating in South Africa as a donor and to support indigenous NGOs, or whether it was in the country to pursue its own ideological agenda. This muddled agenda, he thought, was the real root cause for the Foundation's apparent inability to communicate about itself.

[5] He had always wondered, he said, *why* the Foundation had thought it necessary to send staff to South Africa when it appeared to him that their work could just as well be done from a desk in Germany. A different recipient stated quite bluntly that in her opinion the office of the Foundation she dealt with appeared to be largely an employment creation exercise for German ex-pats. She found this particularly galling because there was no training or capacity building to make sure that local people could continue with the programme, should the Foundation decide to shut its office and leave.

In one remarkable instance an NGO found out by way of a newspaper report that one of their main donors (not one of the Foundations) after an eight year relationship had decided to terminate all assistance. Repeated phone calls only revealed "a shifting of internal (i.e. donor) priorities" and there appeared to be no feeling on the side of the donor that there was a need or indeed possibly an obligation to account for this - for the recipient quite mysterious - decision.

Another recipient observed wryly that it would indeed be a great day for South African NGOs if one could see as much co-operation between donors as they require of recipients. He singled the German Foundations out as being remarkably unco-ordinated and pointed to the example of other countries' organisations that appeared to meet and exchange information regularly. In his mind that could contribute to a more collaborative climate between the Foundations as opposed to the competitive approach he perceived between them. Another recipient observed that even within the same Foundation there often appeared to be a lack of co-ordination and communication between staff members and that this added to his problem of 'understanding' the Foundation and its workings. At times, he thought, they were not clear themselves about who exactly they were or what they stood for.

Most recipients complained about a lack of transparency in the Foundations' programme priorities which was compared unfavourably with the growing tendencies of government departments (which have a history of being utterly non-transparent) to make priorities and decision making more transparent. A long-standing recipient of one of

the Foundations explained that in all the years he had worked with the Foundation, he had never managed to 'develop a sense' of where and how the Foundation decides how, and what, its priorities are. The same person observed that a partnership implies equality and equality in turn implies knowledge about each other - but this knowledge was sorely lacking in his opinion. A development practitioner agreed that information about a donor's environment and policies was a powerful tool for local NGOs when dealing with foreign ones, but that, in his experience, northern NGOs are remarkably coy about stating in clear and unambiguous language who exactly they are and what they stand for.

Even the fairly tight financial controls came in for some surprising criticism: one recipient observed that while the Foundation he dealt with gave the impression of controlling monies given to recipients very diligently, there were a number of glaring inconsistencies, i.e. being hypervigilant in some areas and almost negligent in others.[6] Several recipients commented that income generation did not appear to be encouraged by the Foundation they dealt with and that this on the one hand increased their dependency on the Foundations and on the other hand gave their staff no incentive to save money. Two recipients remarked in this context that donors in general should engage more in

[6] In this respect it was also criticised that international donors appear unable to devise one set of accounting rules that they all adhere to and thus raise the administration costs on the side of the recipients.

assisting local NGOs in financial planning[7] and help them reach at least a limited degree of sustainability.[8]

In South Africa then the situation as far as the relationships between the interviewed local and northern NGOs are concerned are not as unequal as the literature would suggest, and are therefore a lot more complicated and less easy to analyse. The interviewer was left with the impression that much more depends on individuals' personalities than either donors or recipients were prepared to contemplate or even realised, and that the literature also did not do justice to this very 'human' aspect of the relationships.

[7] An example of such financial planning is the setting up by donors of an endowment fund of US $ 1 million for the Namibian Legal Assistance Centre which allows the Centre to plan its financial future long-term and to make sure that funding for its non-sustainable activities are on a sound financial footing.

[8] Both agreed though that it was in the nature of their activities that a good many of them would and could never be sustainable.

Chapter Six

Conclusion

6.1 Findings impacting on Policy Making

Many of the negative aspects of donor/recipient relations and potential problems for a country's own development agenda outlined in **Chapter Three - Research Question and Literature Review** were indeed confirmed by the research. Specifically issues such as accountability and transparency on the part of the Foundations were identified as problematic.

On the other hand, the distinction was made time and again between bilateral donors and 'private aid' and both, Foundations and recipients, believed that while the former should form part of government policy proper and be controlled, the latter should remain unfettered for the sake of maintaining an independent NGO culture within society.

Government is then faced with hard choices: on the one hand, the disadvantages of letting donors - even northern NGOs - roam free, as it were, appear obvious: a lack of co-ordination and often co-operation

between them and a continuation of the unequal relationship between the northern and the southern NGOs.[1]

But co-ordinating northern NGOs is likely to bring with it the twin evils of slowly muzzling a very vibrant sector of civil society and possibly even ending in development processes being less effective and less accountable than those that have been initiated and/or financed by northern NGOs so far. Such a step also leaves out the vexed question of 'regulating' support for the so-called advocacy NGOs; by the nature of the beast these are typically foci of dissent to governments and one must ask oneself how much control civil society should allow of these organisations. The acid test, this researcher would like to suggest is this: would one have been content with any contemplated type of regulation/restriction if it was wielded by the National Party in the 1980s. The argument against this suggestion appears to be that one is dealing now with a democratically elected government, not an illegitimate minority regime; gross abuse of state power, however, is obviously not necessarily prevented by a majority government (viz. Germany in 1933, to name but the worst of such an instance). Another example of such abuse is closer to home and committed by an ostensibly democratic government, with constitutionally guaranteed checks and balances: Zimbabwe's Private Voluntary Organisations Act of 1995 allows the Minister of Public Service, labour and Social Welfare, in the case of any private

[1] One may ask oneself in any event why government should intervene in the relationship between essentially private parties.

voluntary organisation (and that is in effect every Zimbabwean NGO), to suspend any or all of its executive officers or trustees and replace them with nominees of his own, provided only that the Minister feels it is "in the public interest"[2] to do so (Helen Suzman Foundation, 1995, p. 4).[3] In terms of this Act (and a mere two months after its promulgation), the Association of African Women's Club which had incurred the displeasure of State House, had this Act invoked against it, has for all intents and purposes been disbanded and, last but not least, had its assets transferred to the women's organisation of Zimbabwe's ruling party.

One of the Foundations' representatives remarked that he looks at the degree of freedom NGOs (local and foreign) enjoy as an indicator of how free society is; this researcher agrees with this entirely. Many South African NGOs, in the light of the funding squeeze they experience, are prepared to 'sell their souls' in return for state support. The author of this report believes that they will live to regret this stance, as they increasingly lose their independence and legitimacy. Northern donors' attempts to push their particular agendas will pale in comparison to the kind of pressure that can and will be brought to bear on NGOs that are entirely dependent on the goodwill of the government of the day. They will become pawns in a Byzantine maze

[2] The phrase "in the public interest" has in any event acquired unfortunate connotations in South Africa; it was employed in all the security legislation and the successive declarations of states of emergency under the Apartheid regime.

[3] NGOs like the Zimbabwean Human Rights Association have pointed out that this Act is even more illiberal and potentially repressive than Ian Smith's infamous Welfare Organisations Act of 1976.

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of political machinations where rival politicians want to prove to the electorate that they, i.e. the politicians, can deliver on their election promises.

6.2 Suggestions for Further Research

One of the findings was that the change of government appeared to have had little appreciable effect on the way the Foundations 'are doing business'. A further area of research would be the question what kind of changes, if any, have been experienced by other donors - in particular northern NGOs involved in 'technical assistance' in the wider sense. Here the question of whether the arguments brought by interviewees of this study, namely that co-ordination would be inimical to the development process could be proved to be right or wrong. It would also be useful to research to what extent do donors 'fall in naturally' with the government's development priorities - and whether this indeed is good or bad for the development process overall.

In the light of recent attempts to create legislation particularly to regulate the NGOs' fund-raising activities and to make them eligible for certain state support, an interesting research project would be to look at the effects such legislation has had in countries like Zimbabwe and Ghana (in the latter it is contemplated, but not yet promulgated).

Lastly, and most importantly, the question remains of how to break through the management problem that accountability flows all upwards

in donor/recipient relations; here one may consider as a further area of research designing ways and models of how change could be achieved. The author would like to suggest that looking to government for help is not the answer, but that such research should focus on how the interaction between these NGOs could become an exchange process proper. And this, as one recipient explained, requires knowing and understanding each other well. The impression gained from the interviews conducted for this research report is that the Foundations' staff seemed to know much more about the South African NGOs than the other way round. Those recipients who had taken the trouble to find out more about their funders seemed to deal on a far more equal footing with them.

Final Comment

NGOs are an integral part of South African society and their environment is what might euphemistically be called "challenging" (less money, losing many skilled and experienced people to the public and private sectors etc.). Judging purely by the contact this researcher has had with the South African NGOs interviewed for this report, they appeared to her much better equipped to deal with these challenges and far less helpless than they are generally perceived - or they believe themselves to be. There is a high degree of innovation and flexibility in these organisations and the author walked away from the interviews with the conviction that there is plenty of good work yet that these organisations will do for the benefit of South African society.

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Appendix I

Questions for Donors

Issues to be addressed

- Accountability (towards recipients & country)
- Transparency (recipients & country)
- Co-ordination among donors
- Co-operation among donors

Questions

1. History and Background of foundation.
2. History and Background of foundation's involvement in SA. How would you describe the parameters in which you work? Are you quite free within those to do as you see fit?
3. How do you identify projects/recipients?
4. How do you acquaint them with what you consider they need to know about the foundation and how it works? Are they in contact with each other at all?

5. To whom do you report and how often?
6. Do you ever meet with the other foundations' people in/formally? Any other donors? What do you think of the up-coming donor conference?
7. What do you think about donor co-ordination? Co-operation?
8. Impact of new government on your work? Impact of RDP?
9. Where do you see your foundation's future role in this country?
10. How much influence do you have on your foundation's policy towards SA? Is that typical? Do others in your type of position have more or less influence?
11. Where do you get your info from about SA? what are your local reference points?

What do you think is really important with regard to donor intervention in a country like SA?

Appendix II

Checkpoints for Questions for Recipients

Issues to be addressed

- Control
- Accountability towards donor and constituency/community
- Transparency (donor's and own)
- Co-ordination among donors
- Co-operation among donors

Questions

1. History and Background of organisation.
2. History and Background of foundation's involvement in organisation. How would you describe the parameters in which you work? Are you quite free within those to do as you see fit?
3. How did you identify the foundation/funder?
4. How does the foundation acquaint you with what they consider you need to know about the foundation and how it works? Are you in contact with other foundation grantees at all?
5. How do you report to them and how often?
6. What do you think about donor co-ordination? Co-operation? What are your experiences in this field?
7. Impact of new government on your work? Impact of RDP? Impact of both/either on the foundation?

8. Where does the foundation get its information from about SA? What\who are their local reference points? When dealing with them, are you dealing with South Africans or Germans? Does that make a difference to you or your work? Do you think they build local capacity/institutions?
9. What do you think is really important with regard to donor intervention in a country like SA?

Is there anything you would like to add?