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SETTING THE DEVELOPMENT AGENDA? U.S FOUNDATIONS AND THE NPO SECTOR IN SOUTH AFRICA.

A CASE STUDY OF FORD, MOTT, KELLOGG AND OPEN SOCIETY FOUNDATIONS

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ABSTRACT

This thesis discusses the impact that the Ford, Mott, Kellogg and Open Society Foundations had on civil society organisations in South Africa in setting development priorities. The thesis tested first, the hypothesis that donors set the agenda for their grantees. Secondly, the thesis tested the assumption that aid facilitates grantees' submission to donor interests. And in the process grantees lose their identity and focus. The research found that most of civil society organisations (CSOs) depended on international donors, in particular, foundations, for their operations. There was little mobilisation of resources from local citizens. As a result, CSOs were vulnerable to donor conditionalities and agendas. The four case studies and their selected beneficiaries show that most CSOs were not sustainable. If donors withdrew their support, a number of their grantees would curtail their work, close down or lose their vision and mission. In some cases CSOs changed their missions to follow the money, nevertheless, changing contexts and demands were also relevant factors. Although lack of sustainability for CSOs and their greater dependency on international donors made their agendas questionable, it also provided independence from internal political interference. CSOs also appeared more accountable to donors than to the constituencies they served. The Kellogg Foundation insisted that organisations had to toe the line to implement the Foundation's agenda or risk losing funding. George Soros of the Open Society Foundation also called the shots. He set the agenda and his Foundations implemented it. This showed the power of direct intervention by a living donor who operated as a Programme Officer for all his foundations.

The question of donor-dependency is closely linked to that of leadership. A number of organisations with good leaders attracted many donors. However the increase in donors, did not sustain these organisations, instead it made them vulnerable to many different donor demands. Thus, donor diversification was both an asset and a threat. However, good leadership prevented CSOs from collapse from lack of transparency, accountability and effectiveness. A temptation to 'want to look like donors', a process that is called 'isomorphism' by DiMaggio and Powell (1991) characterised many CSOs resulting in them losing their identity, mission and vision.

There were positive aspects that international Foundations achieved in supporting civil society foundations. The Open Society Foundation worked to open up closed societies. It supported efforts that aimed at fostering democratic ideals, rule of law, social justice and open societies. The Ford Foundation supported efforts that strengthened civil society, promoted social justice and democracy. The Mott Foundation strengthened the capacity of the non-profit sector by developing in-country philanthropy. And the Kellogg Foundation supported community initiatives that aimed to tackle the causes of poverty.

A negative development; however was that Foundations cultivated the culture of receiving rather than giving among their grantees. For this reason, the thesis suggested the development of 'community philanthropy' to sustain the non-profit (NPO) sector. Community philanthropy has the advantage of mobilising resources from domestic sources and taping into levels of social capital. Building on domestic sources would encourage a

bottom up approach to development. I argue that local self-help initiatives such as *stokvels*, burial societies and saving clubs could serve as bases for the sustainability of the non-profit sector which suffered from donor dependency, unsustainability and poor leadership. Such an approach would make development 'people-centered' and encourage social responsibility among citizens to support their NPOs and its development initiatives.

DECLARATION

I declare that this thesis is my own unaided work. I submit it for the Degree of Doctor of Philosophy in the University of Witwatersrand, Johannesburg. It has not been submitted before for any other degree or examination at any other university.

Bhekinkosi Moyo

-------------Day of,----------, 2005

DEDICATION

To Vanessa Phala, who was an inspiration and to my son, Bhekinkosi Junior Moyo, who brought new meaning to life.

TABLE OF CONTENTS

(i) Abstract----------ii

(ii) Declaration----------iv

(iii) Dedication----------v

(iv) Table of Contents----------vi

(v) Acknowledgements----------x

(vi) Abbreviations----------xii

(vii) List of Tables----------xv

(viii) List of Figures----------xvi

INTRODUCTION

0.0 Introduction----------1

0.1 Structure of the thesis----------7

0.2 Methods and Sources----------12

0.3 Participation and Observation----------12

0.4 Interviews----------14

0.5 Review of documents----------16

PART ONE

THEORY, CONCEPTS AND PRACTICE----------17

CHAPTER ONE

1.0 **CIVIL SOCIETY, SOCIAL CAPITAL AND UBUNTU-----20**

1.1 (a) Civil Society in Africa or Patrons and Clients?----------24

1.1 (b) Civil Society: African Applications? Social Capital, Ubuntu and the Development of Associational Life----------25

1.1 (c) Trust, Civic Responsibility and the Reinvention of Ubuntu in Post Apartheid South Africa----------28

1.1 (d) Associational Life: Self Help Institutions----------30

CHAPTER TWO

2.0 **CIVIL SOCIETY AND PHILANTHROPY IN SOUTH AFRICA**----------35

2.1 Civil society during the Apartheid Era----------39

2.2 Civil Society and the State: From Transition to the Consolidation of Democracy----------40

2.3 Popularity or Populism? NGOs and Development----------49

2.4 (a) Philanthropy in South Africa----------53

2.4 (b) Institutionalised Philanthropy----------56

2.4 (c) Foundations----------56

2.4 (d) Social Justice Philanthropy----------58

PART TWO

INTRODUCTION TO U.S FOUNDATIONS AND THEIR GRANTEES IN SOUTH AFRICA----------62

CHAPTER THREE

3.0 **THE MOTT FOUNDATION: DONOR-RECIPIENT RELATIONS----------66**

3.1 Charles Stewart Mott: A background----------68

3.2 The Foundation: An Overview----------69

3.3 The internationalisation of the Civil Society Programme----------70

3.4 An Historical Overview of Mott's South Africa-International interests----------72

3.5 The period of the transition (1988-1992) ----------75

3.6 The period of democracy (1993-1997) ----------77

3.7 The period of consolidation of democracy (1998-2002) ----------87

3.8 Who set the agenda? ----------91

3.9 The dependency culture----------96

3.10 Dependency and agenda setting----------98
3.11 Guidelines and agenda setting----------103
3.12 Project/Core funding and agenda setting----------105

CHAPTER FOUR

4.0 **THE FORD FOUNDATION AND GRANTEES IN SOUTH AFRICA----------106**
4.1 A note on methodology----------110
4.2 The life of Henry Ford, his objectives and the Foundation---------111
4.3 The influence of individuals on the Foundation----------113
4.4 Moving to Africa (1958-2004) ----------118
4.5 The context (events, resources and experience) ----------118
4.6 The Ford Foundation in South Africa----------122
4.6 (a) The Ford Foundation in the 1970s-1990----------123
4.6 (b) The Ford Foundation in democratic South Africa (1990-2004)----125
4. 7 (a) Setting the agenda for Development----------129
4.7 (b) Resisting the 'dependency syndrome'----------130

CHAPTER FIVE

5.0 **THE W.K.KELLOGG FOUNDATION AND GRANTEES**-135
5.1 Will Keith Kellogg: Ideals and Philosophy----------138
5.2 The Foundation: Objectives and the historical trajectory----------140
5.3 The Foundation in Southern Africa----------143
5.4 Integrated Rural Development Programme----------146
5.5 Leadership Regional Network----------147
5.6 Initiative for Development and Equity in African Agriculture------150
5.7 Kellogg, NGOs and the implementation of the initiatives: Who set the agenda? ----------152
5.8 Sedibeng and Kellogg Foundation----------155
5.9 DRC, LearN and Kellogg Foundation----------157

5.10 Closure of initiatives----------162
5.11 General grants----------166

CHAPTER SIX

6.0 **THE POWER OF A LIVING DONOR: GEORGE SOROS AND THE OPEN SOCIETY FOUNDATION----------167**
6.1 George Soros: Background to his life and times----------172
6.2 Soros' Agenda: Constructing Open Societies----------175
6.3 The Open Society Foundations (1979-2004-Highlights) ----------177
6.4 Soros in South Africa----------181
6.5 The Institute for a Democratic Alternative for South Africa (1987-2004) ----------184
6.6 1986-1990: Promoting dialogue----------187
6.7 1990-1995: Asking what Democracy is----------188
6.8 1995-1998: Consolidating Democracy----------188
6.9 1998-2002: Empowerment of citizens and capacitating Democracy----------189
6.10 Constructing Houses: Soros and NURCHA----------190
6.11 Moving to Southern Africa----------191

CONCLUSION----------195
APPENDIXES----------201
BIBLIOGRAPHY----------215
INTERVIEWS----------224

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ABBREVIATIONS

AFRODAD	-	African Forum and Network on Debt and Development
AUSAID	-	Australian Agency for International Development
ANC	-	African National Congress
CALS	-	Centre for Applied Legal Studies
CAF	-	Charities Aid Foundation
CASE	-	Community Agency for Social Enquiry
CASS	-	Centre for Applied Social Sciences
CBDA	-	Community Based Development Association
CBO	-	Community Based Organisation
CDRA	-	Community Development Resource Association
CF	-	Community Foundation
CIA	-	Central Intelligence Association
CLRDC	-	Community Law and Rural Development Centre
CORDE	-	Cooperation for Research, Development and Education
CORE	-	Cooperative for Research and Education
CPS	-	Centre for Policy Studies
CSI	-	Corporate Social Investment
CSO	-	Civil Society Organisation
CSP	-	Centre for the Study of Philanthropy
CSP	-	Civil Society Programme
CSVR	-	Centre for the Study of Violence and Reconciliation
DAC	-	Development Assistance Committee
DFA	-	District Facilitating Agency
DFID	-	Department for International Development
DRC	-	Development Resources Centre
ECLA	-	Economic Commission for Latin America
FTE	-	Full Time Equivalent
GEM	-	Group for Environmental Monitoring
GEAR	-	Growth, Employment and Redistribution Programme
GRCF	-	Greater Rustenburg Community Foundation

HIVOS	-	Humanistic Institute for International Development
IDASA	-	Institute for Democratic South Africa
IIDDP	-	Initiative for Integrated District Development Programme
IDEAA	-	Initiative for Development and Equity in African Agriculture
IDS	-	Institute for Development Studies
IMF	-	International Monitory Fund
INTERFUND	-	International Fundraising Consortium
IPD	-	Initiative for Participatory Development
IRDP	-	Integrated Rural Development Programme
ISTR	-	International Society for Third Sector Research
ITR	-	International Training Research
LEARN	-	Leadership Regional Network
LF	-	Lotteries Fund
LRC	-	Legal Resources Centre
LSE	-	London School of Economics
MCHP	-	Michigan Community Health Programme
NDA	-	National Development Agency
NGO	-	Non-Governmental Organisation
NPO	-	Non-Profit Organisation
NPP	-	Non-Profit Partnership
NPRDF	-	Northern Province Rural Development Forum
NURCHA	-	National Urban Reconstruction Housing Agency
NY	-	New York
ODA	-	Overseas Development Association
OSF	-	Open Society Foundation
OSISA	-	Open Society for Southern Africa
PACT	-	Private Agencies Collaborating Together
POWA	-	People Opposing Women Abuse
RDP	-	Reconstruction and Development Programme
S.A	-	South Africa
SAGA	-	Southern African Grant-Makers Association
SANGOCO	-	South African NGO Coalition

SANGONET	-	Southern African NGO Network
SAP	-	Structural Adjustment Programme
SCAT	-	Social Change Assistance Trust
TAC	-	Treatment Action Campaign
TLAC	-	Tshwaranang Legal Advocacy Centre
WTO	-	World Trade Organisation
UDF	-	United Democratic Front
UN	-	United Nations
UNDP	-	United Nations Development Programme
U.S	-	United States
USAID-		United States Aid for International Development
USA-PATRIOT-		Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism
W.B	-	World Bank
WTO	-	World Trade Organisation

LIST OF TABLES

	Page
1. Number of organisations and officials interviewed	12
2. Government funding to NPOs according to sectors	48
3. U.S Foundations-Grant making to SA (1988-1996)	49
4. Mott grants to SA in 1991	77
5. Mott grants to SA visa-vis overall CSP (1991-2002)	90
6. Grants to selected ten grantees	97
7. Grantees' profiles	99

LIST OF FIGURES

	Page
1. Non-Profit FTE Workforce	47
2. Grant Dollars by Programme (1992)	77
3. Grants to SA in Dollars (1991-2002)	91