

Should NGOs be viewed as 'political corporations'?

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Abstract The emergence of non-governmental organisations (NGOs), along with supranational organisations, is probably the most important political development of the post-Second World War period. Yet it is not easy to explain why they are so numerous today but relatively rare just 50 years ago. By comparing the internal organisation, diversity, brand building and internationalism of NGOs and corporations, this paper shows that NGOs are far more similar to private corporations than to any existing political institution. Moreover, the corporate model has given NGOs important advantages with which they have 'out-competed' traditional political institutions to win greater public influence, awareness and trust. In the increasingly important arena of supranational politics and treaty organisations, NGOs have exploited the flexibility of their corporate structure to become the sole players apart from governments. Thus NGOs are, in effect, the political analogues of that other highly successful late 20th institution, corporations, sharing not only their strengths, but also their weaknesses.

KEYWORDS: NGOs, politics, political parties, organisation, Britain, United Nations, European Union

PARALLEL 1: INTERNAL ORGANISATION

The strongest parallel between NGOs and corporations can be seen in their internal organisation. For this paper, the structures of 18 leading UK-based NGOs, selected for being the most prominent groups active on issues of Third World development, the environment, conservation, animal welfare/rights, poverty, consumer rights, and human rights, were analysed (see Appendix 1).

None of the 18 NGOs allows its members to elect the executive or leadership. Only four allow members to elect the governing board. Four NGOs hold AGMs for all members, but in only one is the AGM used to debate policy. Those that do appear to encourage debate

and engage in grassroots consultation, confine the process to staff and committed active supporters such as volunteers. Despite producing the lion's share of NGO income, members are expected to be content with a glossy magazine or, occasionally, benefits (eg free entry to properties with the National Trust, the monthly buyers guide with the Consumers' Association). Mere supporters of NGOs, being non-members, often get nothing.

NGOs have never sought any unique legal or constitutional status unlike, for example, trade unions. Trade unions had to fight to overcome criminal and civil law which threatened union organisers and members. They were not legally protected until 1871 (29 years before they succeeded

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in electing a Labour MP). British political parties coalesced in the 19th century to stop factionalism and mobilise an expanding franchise created by successive electoral reform acts. Even the status and protections afforded to corporations — in particular, the right to be treated as a legal 'person' separate from their owners and/or directors — had to be created through legislation.

In part, charities law has influenced NGO structure. Those that are not purely advocacy groups, eg development and animal welfare organisations, can be registered as tax-exempt charities (UK law is unusually restrictive in this regard). In return they must appoint a group of trustees, similar to a limited company board, to supervise their activities. Many charities, however, have also established themselves as private companies limited by guarantee to protect their trustees and officers from excessive financial liability.

A comparison of the accountability of NGOs, political parties, trade unions, owner-managed corporations (limited companies) and publicly-listed companies (PLCs) is presented in Table 1 (for 'members' read 'shareholders', for 'supporters' read 'customers'). It reveals that, at least as far as their supporters/

members are concerned, NGOs appear less accountable than either of their political 'rivals', and most closely resemble the private, owner-managed limited company. A PLC — listed on the London Stock Exchange is obliged to be more open. It must put up all its directors, including the CEO and Chairman and managing director, for regular election by members (the shareholders). Any member can raise an issue at the annual AGM and a relatively small number can force a vote by the entire membership — incidentally, a tactic regularly used by NGOs to embarrass the boards of multinationals.

The corporate model gives NGOs several advantages over trade unions and political parties:

- it concentrates executive power in the hands of the leadership to a much greater extent than in, for example, trade unions with their branch and committee structure. Leaders can therefore react quickly to opportunities
- it is easier to recruit effective leaders if they can be appointed rather than elected (and easier still if they do not have to climb up the greasy pole of local politics). Leaders can be chosen for their leadership qualities, communication skills and public charisma
- absence of elections allows continuity of

Table 1: NGO accountability and financial structure.

	NGOs	Political parties	Trades unions	Owner-managed corporations	PLCs
Policy influenced by membership?	Rarely	Yes	Yes	No	Rarely
Income from membership	Important	Important	Only source	Important	Important
Income from supporters	Important	No	No	N/A	N/A
Income from sponsors	Sometimes	Important	No	N/A	N/A
Policy influenced by supporters?	Sometimes	Yes	No	N/A	N/A
Leadership elected by whole membership	No	Yes	Yes	Sometimes	Yes
'Board' elected by whole membership	Sometimes	Sometimes	Yes	Sometimes	Yes
Institutions compete with one other for members	Yes	Yes	Sometimes	No	Yes

policies. Regular elections can exacerbate 'regime change' as newcomers, striving to leave their mark, reverse an incumbent's policies. Under the corporate model a successful leadership team can remain in place almost indefinitely and ensure that like-minded individuals succeed them. For example, Charles Secrett was director of Friends of the Earth EWNI for ten years. Peter Melchett was executive director of Greenpeace UK for 11. Both were appointed, not elected. In both cases they were succeeded by staffers who had previously worked under them

- NGOs can operate like brands, building 'issues' and capturing new ones just as corporations build consumer brands and leverage them to open new markets. When Greenpeace launched its GM campaign in 1997, it was behaving no differently from Gillette when it extended its men's razors brand to embrace lady shavers, gels and foams. Greenpeace's brand is now so strong that it has the power to define entirely new categories of environmental wrongs. What Greenpeace opposes is, by definition, something that ought to be opposed
- unburdened by voters, with supporters and members kept at arms length, NGOs can more easily stay focused. Like a corporation, what matters is regular success as well as long-term achievement. An NGO that moves its issues forward or at least makes plenty of noise on the way gains visibility and brand recognition and is better able to attract and retain supporters
- resources can be deployed according to need rather than local fundraising ability. Overseas offices and lobbying teams can be established at critical locations even if local support for the NGO in those countries or cities is minimal. In the late 1990s, Greenpeace International underwrote offices in South America and South-East Asia and bailed out its French subsidiary. The money came from Germany and the Netherlands which together then generated 45 per cent of its worldwide income.¹ The US animal rights group PETA likewise subsidises high-profile but

loss-making operations in Europe and India

- unlike trade unions which are tied down by workplace structures and demarcation agreements, NGOs can compete openly for supporters
- funds can be raised from a wider variety of sources: private memberships, donations, legacies, commercial activities, commercial sponsorship, as well as grants from private foundations, governments, supranational institutions, quangos and even other NGOs. Political parties and trade unions are excluded from most of these opportunities. For development NGOs such as Christian Aid and Oxfam, the British government contributes around a quarter of their disposable income (income after deducting costs of fundraising and trading). Foundations spending the interest on the accrued investment wealth of leading business families have become a major source of NGO funding in the USA. The Turner Foundation alone disbursed US\$222m to American environmental NGOs between 1991 and 2001 until stock market difficulties forced a halt.² Foundations are probably much less important in the UK, but weak disclosure requirements make it difficult to find out. In Europe, governments and the European Commission are also generous donors but the major groups appear to get only a small part of their funds from these sources.

PARALLEL 2: ENTREPRENEURISM AND DIVERSITY

Just as individual NGOs resemble corporations in their internal organisation, NGOs collectively – NGOdom – have created the political analogue of the capitalist economic system, the important difference being that whereas the purpose of corporations is to make profits, NGOs want to make a political impact. Nonetheless in both systems large numbers of independent organisations, a few very large, but most medium-sized or small,

compete within defined niches or markets for attention and support.

Although NGOs are not new — Alexis de Tocqueville noted the importance of 'political associations' in 1831 America — it is generally accepted that the rapid growth in NGOdom has occurred since the 1960s. The Directory of British Associations (DBA) currently counts 7,000+ NGOs in Britain today but this includes business organisations and chambers of commerce and ignores most local NGOs. Since, according to the Ford Foundation,³ Brazil has 210,000 NGOs and India about a million, it is likely that the DBA figure is probably a substantial under-estimate, as well as being suspiciously unchanging since the mid-1990s.

The more accurate counts of international NGOs (INGOs) reckon about 44,500 INGOs in 1999, but only 9,500 in 1978 and just 985 in 1956.⁴ This suggests NGOdom has expanded fifty-fold in as many years. Because this coincided with the early 1970s' entrepreneurial explosion (for example, Greenpeace, Friends of the Earth, Microsoft and Apple were all founded within five years of each other), perhaps NGOs and capitalism alike benefited from an anti-establishment, 'clean slate' mood of educated young people, post 1968.

Entrepreneurship in NGOdom, just as in capitalism, is part of its vitality. The stimulus in both systems is competitive diversity. Organisations compete for resources, markets, customers/supporters. New organisations are constantly being formed to meet perceived new demands. The effect is for the number of organisations to constantly increase and for most of them to be young and small. New organisations may also form if existing ones are felt to be ineffective. Greenpeace and Friends of the Earth emerged because existing conservation NGOs such as WWF were not felt to be tackling pollution

issues. PETA was founded because the major US animal welfare groups did not oppose the consumption of animals.

A consequence of competitive diversity is that NGOdom has grown into a specialised economic sector in its own right, training and developing its own talent and today, preferring to hire from within. An analysis by the author of 39 NGO job adverts in the *Guardian's* Society section for the week beginning 15th March, 2004 found that 12 (31 per cent) required previous NGO experience and another 13 (33 per cent) said it would be an advantage. The sample excluded technical jobs, eg accountants and conservation managers.

PARALLEL 3: CONSUMERISM

In early 1900s Britain about 60 per cent of families were working class with minimal savings, property or financial security and only one in ten owned their own homes. High-school education was rare — just 9 per cent were educated to age 14. A hundred years later, seven in ten own their own homes. Almost two-thirds of households are estimated to be 'comfortably off' or better, while 25 per cent (up from 19 per cent in just ten years) are viewed as 'wealthy' (they own a large house, take regular foreign holidays and have substantial savings and casual spending power).⁵ Nearly half of 18-year-olds go on to some form of higher education.

Out of affluence, combined with universal education, mass consumerism arrived. Corporations helped to mould consumerism, not just by meeting the demand for material goods, but in positively associating consumption with individualism, self-expression and personal freedom — themselves reactions to the corporatist 'solidarity' politics of the immediate post-War period. Margaret Thatcher took advantage of the new mood in her break-up and privatisation of state

monopolies and the 'right to buy' promise to tenants of council-owned homes, hitherto assumed to be immovable Labour Party supporters. Political freedom became seen as indivisible with economic freedom.

Given that NGOs tend if anything to march on the Left, it is ironic that they have probably benefited more than any party, and infinitely more than any trade union, from Thatcher and the consumerist ascendancy. A society that is politically as well as economically consumerist, characterised by widespread personal wealth, individualism, tolerance of diversity, decline in deference and distrust of authority and especially the State, could be said to provide an ideal environment for assertive, entrepreneurial NGOs, like new corporations, to spawn and thrive.

PARALLEL 4: BUILDING TRUST

The public at all levels trusts NGOs. According to one survey, 50 per cent of world opinion formers rate NGOs as the most trusted institution on environmental, health and human rights issues, outweighing all other institutions added together.⁶ Governments, big business and the media rate poorly.

Issue-specific public opinion surveys usually say the same. Whenever an issue is controversial and fired up by committed campaigning, NGOs will be among the most trusted sources of information. Only doctors and health organisations are regularly more trusted.

Since surveys of public trust invariably rate large corporations (and politicians) very low, does this mean the corporate model of NGOs breaks down? Not necessarily. A study comparing trust in major NGO and corporate *brands* shows quite similar levels of trust, with corporations actually doing better than NGOs in the USA (the reverse is true in Europe).⁷ And even multinationals appear to be trusted to deliver decent goods and

services (and spend a large part of their marketing budgets holding on to this trust). If it were otherwise, upstarts would find it much easier to capture their markets.

Typically, however, opinion surveys find small firms are more trusted than large ones. One explanation could be that small firms are considered too weak and too vulnerable to be really exploitative whereas multinationals are perceived as too powerful. The public could be adopting a similar reasoning in deciding to trust NGOs. Compared to their targets, governments and multinationals, NGOs easily appear the smaller, weaker party. Greenpeace, although one of the world's biggest NGOs, has attempted to create a brand value out of such 'David and Goliath' symbolism with images of activists in rubber dinghies confronting oil tankers and warships.

It would appear that NGOs have managed to harness the advantages of capitalism — resource and managerial efficiency, focus and competitive diversity — without (so far) creating organisations so large and powerful that the public begins instinctively to fear them.

PARALLEL 5: THE MULTINATIONAL

Like corporations, NGOs have successfully internationalised. This is not merely the projection of activities from one country to another. The major international NGOs such as Greenpeace, Amnesty, Oxfam and Friends of the Earth have a global reach, for example, maintaining international headquarters supported by funds from multiple countries.

By contrast, political parties have chosen to stay within their national borders (the former Communist Party being the obvious historical exception). In the EU like-minded parties align for voting, but ties are weak and do not persist outside the European Parliament. Only the Greens

have a continental party, and that only in 2004 to test its appeal in the European Parliament elections. Trade unions participate in several international networks and umbrella organisations, but again, individual unions are strictly national in organisation and funding.

As with their counterparts, the multinational corporations, country of origin is becoming an increasingly irrelevant concept for NGOs. Greenpeace was founded in Canada, is strongest in Germany, but operates out of Amsterdam. Development NGOs have to deal with multiple governments representing donors and hosts. As with the multinationals, there are issues of accountability and sovereignty. One NGO observer explained: 'Sovereignty provides the dominant framework for thinking about issues of legitimacy, accountability and representation. Development NGOs operate across borders with little regard for notions of sovereignty. Therefore it is not surprising that NGOs find it difficult to establish their legitimacy within the framework of sovereignty'.⁸

This has not prevented the number and scope of NGOs swelling to match the ballooning 'virtual superstate': the panoply of intergovernmental and supranational institutions that has come to dominate global politics since the Second World War. International NGOs, or INGOs have a long heritage, beginning with the anti-slavery movement (led by the expanding Protestant churches) and then with the 19th century foundation of the Red Cross and Red Crescent societies. The interwar period saw little new activity but afterwards INGOs grew at about 100 new bodies per year.⁹

According to J.A. Paul,¹⁰ today some 2,500 NGOs have consultative status with the UN and many thousands more have official arrangements with other UN bodies and intergovernmental bodies. The UN runs a department dedicated to

NGOs, the Non-Governmental Liaison Service or NGLS, with offices in Geneva and New York. Its head reports to a committee only one step removed from the highest administrative committee of the UN system, chaired by the Secretary-General. At the 1992 Rio Earth Summit, around 17,000 NGO representatives participated in the accompanying NGO forum. Some 1,400 were 'directly involved' in intergovernmental negotiations.

Financially, NGOs have become increasingly dependent on supranational bodies as well as national governments. By 1994 European Union funding of NGOs, including development aid programmes, had reached US\$1bn. Worldwide, public grants represented 1.5 per cent of NGO income in 1970 but 35 per cent by 1988 — possibly 40 per cent today.¹⁰

NGOs commonly argue they must engage with the UN and other supranational institutions to ensure the views of ordinary citizens are heard and to counterbalance governments and multinational corporations. The unspoken assumption is that even democratically elected governments do not really represent their citizens.

As 'altruistic' citizens' groups, NGOs seem to believe they are superior to 'self-interested' states. As the director-general of WWF International wrote in 2002: 'The outcome of the WSSD [World Summit on Sustainability and Development] calls into question whether such events can make any meaningful contribution . . . when the dynamics of negotiation turn bold visions into the lowest common denominator . . . We envisage new constellations of enlightened governments, intergovernmental institutions, environment and development NGOs, forward looking companies and creative thinkers . . . [to] forge new policy alliances which can overcome the current flaws in the multilateral system'.¹¹

Supranational organisations would appear to agree. Former UN Secretary-General, Boutros Boutros-Ghali, said NGOs were ‘an indispensable part of the legitimacy’ of the UN.¹⁰ Mike Moore, the former director-general of the WTO, reported a conversation with a UN agency head where he was told that ‘we are in a post-parliamentary, post democratic age’ where the future of governance was with international organisations in partnership with NGOs representing civil society, bypassing politicians.¹²

One senses that NGOs actually prefer dealing with supranational bodies because they are less ‘messy’ — more like courts, dispassionately balancing facts and arguments, than fractious parliaments beholden to local or vested interests.

Impact on politics

During the past 20 years, NGOdom appears to have undergone something of a ‘phase shift’ in its emphasis (see Figure 1 for an analysis of the same 18 NGOs studied above).

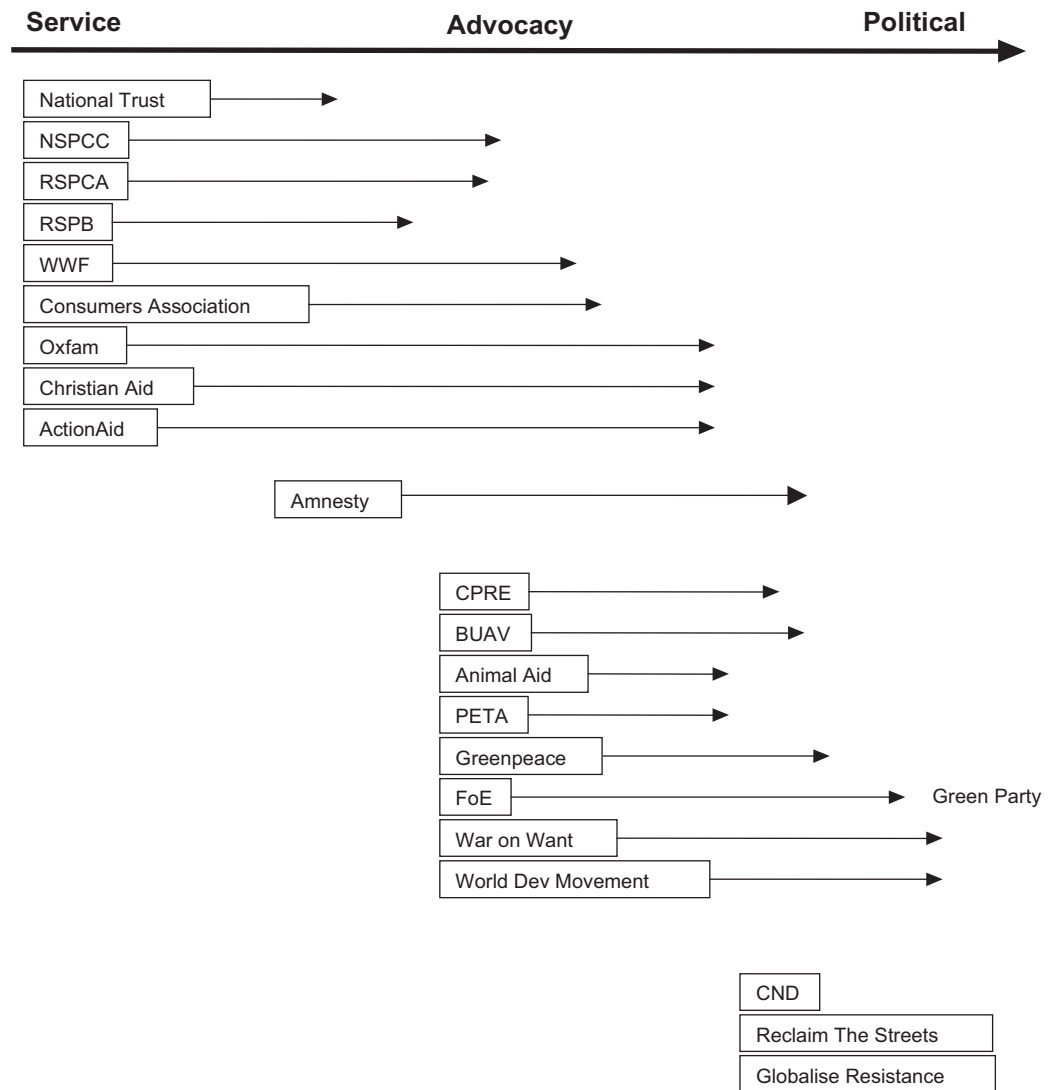


Figure 1: NGOs’ ‘phase shift’. Arrows indicate shift of emphasis over the last 20 years.

NGOs that were traditionally 'service providers' — eg famine relief, animal welfare, consumer protection — have developed full-time advocacy arms, while those that were created to be purely advocacy organisations (eg Greenpeace, PETA, Friends of the Earth) are becoming overtly political (to the extent that Friends of the Earth could end up being the NGO arm of the Green Party, paralleling the (old) relationship between the trade unions and the Labour Party).

The process has gone full circle with the emergence of NGOs that are purely political in purpose. CND was founded in 1958 to change the policy of the government and more particularly, that of the Labour Party. Globalise Resistance was founded in 2001 by the Socialist Workers Party hoping to capture and lead Britain's anti-globalisation movement. Reclaim The Streets is a manifestation of recently revived political anarchism.

Johns attempts to explain this shift in terms of NGOs' relationship with the state.¹² He argues that traditionally civil society existed apart from the state, either in opposition to governments (eg to secure rights) or along side the state (eg to identify and ameliorate suffering with its own resources). Now a dominant part of civil society wants to change the state, in particular, by redefining democracy from hierarchical representation to community participation.

These NGOs are barely recognisable from their 1970s manifestations. Then it was common for charities to be run by retired senior Army officers while royal patronage was the *sine qua non* of unimpeachable credibility, considered essential in fundraising.

Today the royal patron is little more than a name on the letterhead. Save the Children is the only development NGO that gives a high profile to its royal patron, HRH Princess Anne, but then it has been lucky in having one who is both publicly

admired and tireless on its behalf. Meanwhile the generals have been replaced by ideologically committed managers determined to make their organisations more potent, politically as well as administratively.

According to the political scholar Alan Hudson, development NGOs made a conscious effort to 'scale up' through advocacy:

'In the early 1990s policy-makers in leading Northern NGOs became increasingly aware of the limited impact of their development efforts ... despite the fact that more public money than ever before was being channelled through NGOs. [They] began to consider a range of strategies of "scaling up" to make more of a difference ... The focus of NGO thinking, and increasingly its practice, has swung behind efforts to develop more effective forms of international lobbying and advocacy'.¹³

NGO tactics have also become more politicised. Non-violent direct action (NVDA), invented by Greenpeace and widely copied, is a political act in the eyes of activists precisely because it is assumed to descend directly from the mass non-violent protests organised by Mahatma Gandhi and later adopted by Martin Luther King. In fact the activists are mistaken. Gandhi and King espoused mass passive resistance — the oppressed suffering non-violently — not to force confrontation, but to engender trust and respect in the oppressor. NVDA on the other hand involves small numbers of committed activists deliberately trying to confront, obstruct and coerce.¹⁴

Extreme forms of direct action such as economic sabotage against corporations involved in house building, animal research and biotechnology are also overtly political. The aim is not only to hurt the companies, but to force them to rely on the state to police and prosecute

the perpetrators. As Buchanan points out, 'This gives the appearance of government serving as a tool of corporate elites, which is compounded by the fact that should the public mood shift in favour of some environmental claims previously unaddressed, politicians will quickly discover the merits of accommodating those claims . . . Private security merely broadens the target range of direct action.'¹⁵

Impact on political institutions

Is it a coincidence that while NGOs have multiplied and become more politicised, representative democracy, measured by some of its traditional institutions — political parties, the trade unions and elections — has declined?

Entrepreneurism and diversity may be natural to NGOs but they are radical concepts in politics which has traditionally preferred stability and longevity. All Britain's main political parties were founded over a century ago if one counts the Liberal element of the liberal Democrats. Competing mainly on the regional fringes are just seven 'medium-sized' parties, plus 27 others too feeble to get any candidates elected to the national Parliament.¹⁶ The trade unions for their part were also nearly all founded in the 19th century. They are slightly more diverse — 71 are currently affiliated to the TUC — but their number has been shrinking for decades through amalgamations.

Unlike political parties, the sheer variety of NGOs means that collectively, they can represent almost every possible policy position, even those that are mutually contradictory. To give two examples: there are NGOs to promote wind energy and NGOs to oppose it because windmills spoil the landscape, NGOs that campaign for more safety tests on chemicals and NGOs that demand no testing because it exploits animals.

Individual NGOs campaign narrowly on a single issue or related issues. Again unlike political parties, this means an NGO can market its policies 'cost free' without worrying about the consequences for other policies. This helps to explain why NGOs' opinion polls are so often contradicted by real life. Claimed public support for green energy is not matched by sales of (premium-priced) green energy. Greenpeace surveys showing that consumers reject meat, eggs and milk from animals fed on genetically modified organisms (GMOs) are not borne out by the mainstream supermarkets which all report that only a few consumers are willing to pay the extra cost for such products.

Although there are more NGOs making more demands of politicians than ever before, the big progressive ideas that preoccupy NGOs — for example, globalisation, the regulation of multinationals, world environment organisation — are hardly debated in Parliament, let alone within the major parties. Compare this with, say, the late 19th/early 20th century agonising over free trade (the old word for globalisation) which split the Conservative Party at that time.

While NGOs multiply, traditional political institutions struggle. In 1950, Britain's Labour Party had over one million individual members. Today it has 215,000. Britain is not unique. Across Europe political party memberships have been declining by similar degrees, especially since the 1980s (only the recently democratised countries show rising memberships). In more than half of Europe (including Eastern Europe) party membership is now held by less than 5 per cent of the adult population; in Britain and France it is less than 2 per cent.¹⁷

Membership of trade unions has also fallen dramatically, in Britain, by 40 per cent between 1979 and 1997. Union

membership today remains important only in the public sector.

Meanwhile the NGO model, as a means for bureaucracies to engage their citizens, is appearing at all levels of government. In a single west London borough, over a thousand NGOs have been identified, ranging from branches of national campaigns to tiny self-help groups. Of these some 350 are officially recognised by the local authority: that is, they have the right to be informed and consulted about changes in council policy.

Unlike the trade unions, NGOs have not tried to create their own political party or parties. The Green Party is a possible exception, although support for this, while beginning to broaden, is yet too small to make it useful, even to the environmental NGOs. They can exert far more influence over environment ministers from outside. Even government party MPs cannot compete.

Public participation in NGOs

How many of the public directly support NGOs with their money or their time? Headline figures for memberships (eg 3.3 million for the National Trust) can be misleading. Membership of a political party carries a far greater personal commitment to its policies than say, membership of the National Trust or the Consumers Association which are marketed on their substantial tangible benefits. Pure advocacy NGOs such as Greenpeace and Friends of the Earth are a fairer comparison. Their memberships are in the 100,000–200,000 range, in the same order of magnitude as, say, the British Labour Party with 376,000 members.

Secondly, NGO memberships cannot simply be aggregated to measure support for NGOs as a whole. For example, of the 50,000 readers of the Soil Association's magazine *Living Earth*, 45 per cent claim to be members of Friends of the Earth, 34 per cent of Oxfam, 32 per cent of Greenpeace,

31 per cent of the National Trust, 25 per cent of the RSPB, 17 per cent with RSPCA and 6 per cent of the Vegetarian Society. This suggests NGO memberships are at least doubled up.¹⁸

Like political parties, NGOs have a powerful force multiplier, the unpaid supporter. But like parties, active support is a minority interest. Oxfam claims to have 23,000 volunteers but these are not campaigners but unpaid staff in its high street shops. Greenpeace UK operates some 100 regional groups for its active supporters although the numbers involved in each seems to be low, in the five to ten mark. Nationally, Greenpeace can probably claim 1000-odd people in its 'active supporters network' — those it calls on to bolster direct actions. This is just one in 200 of its paying supporters. By comparison, a major political party in Britain would expect at least one in ten of its members to be actively involved in the organisation and its campaigns.

There is also evidence that NGOs' supporter bases are unstable. Some commentators reckon supporter turnover can be up to 35 per cent a year.¹⁹ This helps to explain the large amounts some NGOs have to spend on fundraising. According to their most recent published accounts, the Royal Society for the Protection of Birds spent £17m to bring in £42m in memberships and legacies and ActionAid spent £13.6m to secure £44m in child sponsorship agreements, in both cases without significant increases in income from these sources. Expenditures of 30–40 per cent are not untypical for the charity NGOs but far higher than what, say, a corporation would be prepared to spend just to stand still. For example, the equivalent spend for The Cola-Cola Company is 14 per cent — US\$1.9bn in advertising and marketing costs against a gross profit (value of sales less cost of goods sold) of \$13.3bn.²⁰

Comparatively low participation rates,

and high turnovers of supporters may suggest that what the public trusts is not any particular NGO or NGO policy but the idea of NGOs in general.

Meanwhile there are also signs that activism itself is becoming a lifestyle choice for the few rather than a means to engage the public at large. One symptom is the proliferation of polemical websites run by micro activist groups — given the vastness of the internet, it is probable that no one is listening, but the sites roll on nonetheless. Another is the appearance of ‘lifestyle activism’ — direct action campaigners moving seamlessly from anti-roads protests to anti-GM campaigns to anti-war marches to anti-oil industry demos, perhaps with a little animal rights activism along the way; only the dreadlocks and combat trousers remain unchanged. As the Italian sociologist Alberto Melucci observed, ‘participation in collective action is no longer a means to an end but has to be a direct response to personal needs’.²¹

CONCLUSION

This paper proposes that on several criteria, NGOs are the political equivalent of private corporations. Both institutions are independent of the state, autocratically run, and organised to achieve clear objectives — in the case of corporations, profit, in the case of NGOs, political impact. Both compete with thousands of others for attention and supporters (customers). Both are vulnerable to the emergence of smarter competitors.

The notion of ‘political corporations’ helps to explain the diversity and scale, as well as the success, of the NGO sector — NGODom. As with capitalism, entrepreneurship and competitive diversity drives development. NGODom has expanded fifty fold in as many years, while public participation in political parties and trade unions has declined. Political corporations have globalised as successfully

as their capitalist counterparts. Today the major NGOs, like the multinationals, deal directly with supranational bodies and treaty organisations, countering sovereign states and bypassing their elected parliaments.

Politically, the success of NGOs can also be explained through the corporate model. First, their structure encourages them to be focused and goal-driven, while their diversity ensures that if they failed, others will be formed to achieve the same or greater ends more successfully. Secondly, the dominance of consumerism and individualism, in part due to unparalleled affluence, has helped to make society more questioning and less deferential to authority, particularly the authority of the state. In this environment it is unsurprising that NGOs — self-motivated and entrepreneurial — naturally thrive.

The ‘political corporation’ model is useful because it helps explain the variety, abundance and, above all, the success of NGOs. But it also suggests that NGOs ought to be weaker than they are, because they have abandoned the legitimacy of mass support like political parties, and nor have they sought to be elected representatives of cohesive groups like trade unions. Their legitimacy depends on being effective at articulating public sentiment on a range of issues and to a lesser extent, on the financial support of a small element of the mainly middle-class, or in some cases, the foundations of former capitalists.

Nonetheless a modern representative democracy like Britain has legitimised its NGOs, like it has its corporations, not for social or ethical reasons, but precisely because they are effective. Although ironically, NGOs, like corporations, are effective because they are neither representative nor especially democratic.

Thus NGOs must learn other lessons from corporations, which apply to any country with a free capitalistic system and an elected government. When they are

perceived to be too powerful, 'more legitimate' institutions — parliaments and their political factions, the parties — will limit their power and try to regulate them. They can be out-competed too. For example, national or supranational parliaments, threatened by the influence of international NGOs, could demand direct oversight of supranational bodies. In which case, we may be seeing today not the rise of NGODom, but its apogee.

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APPENDIX 1: ORGANISATION MODELS OF 18 HIGH PROFILE UK-BASED NGOS

NGO (date founded)	Supporter base	Annual income*	Main income sources	Supporters elect top officials?	Supporters consulted on policy issues?	Charitable status?
ActionAid (1972)	Not declared	£73m	'Committed giving': £44m Govts: £12.5m	No	No	Yes
Animal Aid (1977)	Not declared	Not declared	Not declared	No	No	No
Amnesty International UK (1961)	195,000 (worldwide, one million 'members, supporters and donors')	£24m	Donations	Council elected by volunteers	No	Yes
BUAV (1898)	Not declared	Not declared	Not declared. About 50 per cent is thought to come from legacies. Govt: £18.5m	Not declared	Probably not	No
Christian Aid (1945)	15,000 'give regular donations'	£58.5m	Govt: £18.5m	No. Board nominated by churches	No	Yes
Consumers Association (1957)	651,000 subscribers (but 12,000 voting members who must be approved by the controlling council)	£50m from trading. £12m charity (incl. £10m 'research income')	Trading — magazine and service subscriptions	Mostly elected council	AGM but no policy consultation	Partly
CPRE (1926)	59,000 'members and supporters'	£3m according to Charitiesdirect.com.	Trading — members gets cheap entry to 200 properties	County branches elect executive committee	County branches meet to approve strategy	Yes
Friends of the Earth England and Wales (1971)	91,000 in 220 local groups. Worldwide: 1 million	£5.5m + £3m from mainly major donors goes to a charitable education trust	Donations but 10 per cent 'other'. Grant income not disclosed	Opaque	Opaque	Partly.
Greenpeace UK (1970)	221,000 (<i>Daily Telegraph</i> , 9/11/02). Worldwide: 2.8 million	Not declared.	Not declared but probably mostly members.	No	No. Worldwide operates on the Stichting model	No
National Trust (1895)	3.3 million	£70m	Trading — members get free access to 200 properties	Elected council	AGM	Yes
NSPCC (1884)	17,000 appeals volunteers	£100m	79 per cent donations and legacies, 10 per cent 'statutory'	No	No	Yes

Oxfam UK (1942)	600,000 regular donors. Worldwide: 1.5 million	£189m	Govt: £39m	No	Not really. Worldwide operates on the Stichting model. Assembly without decision-making powers engaging a small number of volunteers, staff and affiliated organisations	Yes
PETA UK (1995?)	PO Box for HQ address! 1 million	Not declared. US parent: \$24m £77m	Not declared	No	No	No
RSPB (1891)			£21m members, £21m legacies, £12m sponsorship and trading.	Elected council	AGM	Yes
RSPCA (1824)	60,000 members	£79m not including branches which are independent charities	£44m legacies, £24m donations, £0.9m memberships	Elected council	AGM with policy discussions	Yes
War on Want (1951)	Not declared. Believed to be about £2m	Not declared	Not declared	May have elected council.	Not declared	Yes
World Development Movement (1970)	7,000 voting members + 13,000 supporters	Not declared	2/3rds from members, 1/3 from grants	Elected council of 16-20, with some regional group block votes	Possibly	No
WWF UK (1961)	330,000 Worldwide: 4.5 million	£34m Worldwide: U.S.\$332m.	48 per cent membership and donations; 23 per cent legacies; 14.3 per cent corporate donations, sponsorship, trading, lottery; 9.2 per cent grants and other NGOs.	No	No	Yes
			Worldwide: 47 per cent donations, 5 per cent corporate, 6 per cent foundations, 22 per cent govts			

Notes:

Information taken from NGOs' own websites unless otherwise stated.

* Figures for annual income include fundraising and trading costs unless otherwise stated.