Flirting with the Enemy
Challenges Faced by NGOs in Development and Empowerment

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ABSTRACT
This article addresses the challenges faced by Mexican non-governmental organizations (NGOs) in attempting to perform their role as agents of development and empowerment among poor populations. Recently, NGOs have expanded and have gained a much greater capacity to respond to the problems of the poor populations. The issue at stake for many Mexican NGOs is that with their new-found capacities, they might reproduce a patron-client relationship with local communities. This article examines the redefinition of NGOs goals and objectives and the changes in the relationship of NGOs with the state and the poor during the last three decades. It also discusses the effects of these changes on NGOs' methodology and approach in responding to the needs of disadvantaged communities. © 1997 Elsevier Science Ltd.

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INTRODUCTION
In the last decade non-governmental organizations (NGOs) have gained increased attention among scholars and practitioners of development. They are identified as effective and efficient with regard to delivering services to disadvantaged communities; they are also praised for promoting community self-reliance and empowerment through supporting community-based groups, and relying on participatory processes (Korten, 1990; Clark, 1991; Friedmann, 1992; Fowler, 1993; Edwards and Hulme, 1994; Salamon, 1994). International development agencies are increasingly attracted to NGOs because they are convinced that, if carried out by such organizations, projects will be less costly and will have a greater reach among the poor (Cernea, 1988).
Most development funds that were directed previously to public-sector government agencies are now channeled through NGOs, or at least require that the latter be included in project implementation. Indeed, NGOs have become the new darlings of the international development organizations and funding agencies.

In retrospect, it is discernible that the increased attention and financial support received by NGOs have affected drastically their organizational character and the nature of their activities. NGOs have expanded the scope and areas of their activities and have gained a much greater capacity with regard to service delivery. This has, in turn, affected how NGOs define their roles, objectives, and methodology as well as how they determine their staff membership. Mexican NGOs are experiencing critical transitions from organizations that aimed deep social change through raising consciousness, demand making, and opposition with the government, to organizations that aim incremental improvement of the poor’s living conditions through community self-reliance and formulation of workable solutions and proposals. In short, NGOs have shifted from organizations of opposition to organizations of proposition, and their approach to the government has changed from contestación (conflict) to conciertación (dialogue) (Fox and Hernandez, 1992). Furthermore, they have moved away from voluntarism; today in order to serve the poor they advocate professionalization and working for the poor as consultants instead of working with the poor as de-professionalized activists.

This represents a significant ideological shift among NGOs and presents them with important challenges; one of which is to avoid reproducing a patronage–client relationship with disadvantaged communities under the rubric of being non-governmental. This danger is particularly applicable to NGOs whose activities convey material benefits to the poor; that is, NGOs which address such livelihood issues as housing, services, and income generation. To avoid negative dynamics between NGOs and their ‘beneficiaries’, recent changes in the identity of the former need to be analyzed and understood. Once this is accomplished, NGOs will need to reassess both their methodology and their approach to grassroots groups.

The structure of the paper is as follows: a presentation of a profile of Mexican NGOs, and specifications of the types upon which I will focus; an historical account of the social and political context in which Mexican NGOs have developed (I identify two time periods, from the 1960s to the mid-1980s and from the mid-1980s to the present) during which a series of factors affected NGO activities and consequently the definition of NGO goals and objectives; and finally a focus upon NGOs’ challenges in Mexico.

Many of the challenges faced by Mexican NGOs are also faced by NGOs in other countries. These include achieving financial autonomy, replicating their local experiences at a larger scale, and improving the living conditions of the poor without becoming contractors to governments (van der Heyden, 1987; Annis, 1988; Fowler, 1988; Edwards and Hulme, 1992, 1995; Farrington et al., 1993). What makes the challenges of Mexican NGOs unique is, however, the particularity of the...
transitional stage these organizations are currently undergoing. They are achieving increased service delivery, in a context in which decades of government’s effective practices of clientalism have created a strong culture of patronage among the poor populations. The deep-seated notion of exchanging political loyalty for services has been reinforced by both political parties and official government organizations. NGOs, in this context, may indeed follow this tradition and reproduce relations of patronage, only in a new non-governmental form.

PROFILE OF NGOs IN MEXICO

There is no distinct juridical category for NGOs in Mexico. In legal terms, most Mexican NGOs are registered as civil associations (Asociaciones Civiles—ACs), as are a range of other organizations, including those affiliated with charity, health, formal education, research organizations, unions, clubs, and interest groups. Therefore, depending on how they are defined, the number of NGOs in Mexico could range from 1,200 to 2,500 (FAM, 1995). In Mexico, the term NGO (Organizaciones No-Gobernamentales—ONGs) refers to organizations that identify themselves in contrast to charity organizations; that is, they favor capacity-building and involving the poor in the processes of development. NGOs are also distinct from grassroots and community-based groups (Organizaciones Populares, Organizaciones Sociales, or Organizaciones de Bases), which are membership organizations that are often unregistered and without juridical status, their purpose being to meet the immediate needs of their disadvantaged members. NGOs, by contrast, are not membership organizations; they consist of professional paid staff serving a group beyond themselves.

While in the earlier phase NGOs were predominantly funded by progressive churches (both local and international) and depended upon the voluntary work of their members, today they are financially supported by a range of sources. One important financial resource that has been used for Mexican NGOs is known as the ‘social-swap’: an NGO-initiated financial program that allows NGOs to buy the Mexican foreign debt from the government at a favorable rate and so augment their resources. The local private sector in Mexico plays only a limited role in supporting NGOs financially. Overall, it is fair to assert that the financial survival of Mexican NGOs hinges on funds from abroad.

NGOs might represent and serve a specific northern NGO (intermediary

5The 1994 directory of civil organizations prepared by the Dirección General de Desarrollo Político de la Gobiernación records 1,141 organizations (La Jornada, 4 August 1995). In the (1995) directory provided by CEMEFI (Mexican Center for Philanthropic Institutions), 2,364 organizations are recorded. These include charity organizations as well as development NGOs.

6For two of the more complete historical reviews of Mexican NGOs and their concerns, see Lopezllera Méndez (1988) and FAM (1995). Also see Miraftab (1996).

7Specifically, Mexican debt is bought in dollars (that NGOs receive from foreign donors), at the value at which it is sold in secondary international markets (i.e. about 70% of its value). Then the Mexican government repurchases those debt documents at their nominal value vis-à-vis the Mexican peso. Depending on the value assigned to the debt in the secondary markets, this operation offers a margin of benefit to the purchasing institutions (the NGOs). It also allows a dollar-strapped government to buy back its debt in local currency (Arredondo, 1993). In 1988 a church-initiated NGO known as FAC (Foundation for Community Support) managed to gain the government’s authorization for a ‘social-swap’ operation equal to US$8 million. Since then several swap operations have been undertaken by local NGOs and the Mexican government for a total amount of more than US$73 million. This money has supported more than 170 Mexican NGOs and non-profit organizations. (For more on this process, see reports published by FAC and FAPRODE: Arredondo, 1993; FAPRODE, no date).

8For various reasons, the Mexican elite do not have a tradition of creating foundations and endowments to support non-profit organizations. Lack of tax incentives, unclear fiscal laws, and the time-consuming process of receiving tax-deductible receipts for private donations could be seen as contributing factors to this situation (CEMEFI, 1990).
serve the NGO community itself (network NGOs), or provide technical and financial support to community-based groups (grassroots support organizations, also see Carroll, 1992). My concern in this paper is solely with the latter.

**PHASE I: CONCEPTION OF NGOs—THE 1960s TO THE MID-1980s**

In the first phase of formation, the 1960s and 1970s, Mexican NGOs were composed primarily of university-educated members of the middle-classes who had either Marxist or Christian aspirations and believed in promoting social justice through consciousness-raising among the poor to defeat the roots of their poverty and oppression. Many of them had abandoned the universities and moved to poor urban and rural communities to de-professionalize themselves and work with the poor. Their approach, which was known as ‘trabajo de hormiga’, or ‘ants work’, was premised on the notion of achieving transformation from below.

The central theme of NGOs’ activities was educación popular (informal education), which stressed the use of participatory educative processes to address immediate community needs. The increasing political sensitization and mobilization of the poor was primary; community development was secondary. In fact, community development activities were only justified on the grounds that they served the higher goal of social change. In other words, responding to such community needs as housing, health, and services was seen as a catalyst for the organization and mobilization of the poor rather than as an end in itself.

Mexico City’s squatter settlements were important sites of early NGOs’ activities. Not only were they the largest bastions of impoverished rural migrants and the urban poor, they also seemed prime for social mobilization around their collective needs such as basic urban services. In some cases Mexican authorities delivered public services simply to avoid radicalization of the situation, but frequently such delivery was contingent upon the receipt of political favors and votes—a form of patron-client exchange that the ruling Mexican party (Revolutionary Institutional Party, PRI) skillfully utilized to maintain social control (see Eckstein, 1977; Castells, 1983; Ramirez Saiz, 1986). In any case, at that time participation of NGOs in processes of community development among marginal populations were valued not in their capacity to respond to the immediate problems of the poor, but in their capacity to mobilize the poor and question the status quo.

State–NGO relations in this period were marked by mutual distrust. The Mexican government viewed NGOs as rivals who were stealing their clientele by providing social assistance outside state-defined channels. To NGOs, the government was an enemy whose ultimate goal was to protect the status quo through patronage, selective repression, and what I call the ‘appropriation of the opposition’s discourse’. Convinced that the government machinery could swallow independent organizations and leaders, Mexican NGOs have traditionally been skeptical about cooperation with government officials. In fear of the loss of autonomy, NGOs maintained their distance from the authorities, and refused to participate in, or collaborate with, government social development programs.

The history of NGOs in Mexico is closely related and intertwined with that of

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9Alan Fowler (Fowler, 1988), considers these organizations to be southern branches of northern NGOs and calls them donor’s local organizations (DLOs).

10Brazilian thinker and educator Paolo Freire’s work on the role of self-empowerment and consciousness-raising (concientización) was a great source of inspiration to those attempting to organize NGO activities at this time.

11An exception were the housing NGOs, which, as early as the 1970s, influenced public policy and played an influential role in formulating the Law of Human Settlements (1976), which legalized irregular settlements. They
popular movements. Through the 1970s and the early 1980s Mexican NGOs lived in the shadow of popular movements. Today they have grown farther apart from these movements and there is a clearer division of roles between the two. The growth of popular movements during the 1970s in Mexico has played a role in the modification of NGOs' mode of operation and interaction with the marginalized communities throughout this period. With the rise of popular movements, the poor increased their organizational capacity and grassroots groups gained widespread presence in marginal communities. Therefore, towards the end of this period NGOs no longer needed to take on the role of organizers to promote the local organizations by creating community-based groups. They could often work with communities that were already organized and that had almost two decades of organizational experience (Bennett, 1992). In many cases, instead of NGOs going to the disadvantaged communities to offer their support, the popular organizations might have come to a NGO to solicit its services. By the end of this period their role had started to be more closely related to service delivery than to organization.

PHASE I: EXPANSION OF NGOs—MID-1980s TO THE PRESENT

After the mid-1980s, a combination of several factors prompted changes in the NGOs, with regard to both their objectives and their attitudes towards the state. Two decades of popular movements, the economic crisis of the country, political problems within the government and the ruling party, and also calamities such as the 1985 earthquake, all contributed to the change.

First, Mexico's economic downturn since the 1980s has undermined the government's ability to maintain social control through its corporatist channels (Craig, 1990; Foweraker, 1990; Zermeno, 1990; Dresser, 1991; Davis, 1994). The payment of the state's accumulated external debt, as well as the adoption of structural-adjustment policies and austerity measures have all imposed serious limitations on the resources available for public expenditures. The government also helped establish a housing loan organization, Fundo Nacional de Habitacion Popular (FONAHPO, 1981), that replicated their small scale community-level experiences at the national level.

The overriding notion driving the protagonists in both popular movements and NGOs has been the belief in raising the consciousness level of the poor as a means to social change. Activists in popular movements have tried to provoke this result at a larger scale through mass mobilization, and by emphasizing mechanisms of pressure and confrontation with the state. NGO members, on the other hand, have promoted processes of consciousness-raising at the grassroots level by emphasizing educational work, addressing livelihood issues along the way (Fox and Hernandez, 1992).

Also a number of national bodies were created to coordinate efforts and alliances of grassroots groups including the National Coordinator/Plan of Ayala (CNPA), the National Coordinator of the Urban Poplar Movements (CONAMUP), and the National Coordinator of Educational Workers (CNT). CNPA, established in 1979 (with Emiliano Zapata’s son as one of its co-founders) brought together a number of local and regional peasant organizations that struggled for their right to land and demanded the implementation of land and agrarian reforms which had not yet reached some areas of the country—especially in the South. CONAMUP, formed in 1981, was the nationwide coordinating body for organizations mobilizing around such development issues as housing, lighting, sewage, transportation, schools, and subsistence food distribution (Ramirez Saiz, 1986). Although these coordinating bodies dissolved or changed form at different points in the 1980s, they strengthened the autonomous popular movements that had emerged in different regions of the country and enhanced their bargaining power vis-a-vis the government (see Bennett, 1992; Alder Hellman, 1994).

The contact between an NGO and a low-income community might be through charismatic figures who are leaders of NGOs and link NGOs with local communities. But quite often they might also be through informal connections where, for example, communities hear from one another about some work that an NGO has helped carry out. These communities will then contact the NGO to solicit its services. In urban communities, the entrance of NGOs through such invitations (i.e. by an individual community member or a community leader) is easier, since community groups are more diverse. But in rural areas, community groups are not diverse, and leaders have a stronger presence due to their singular power. In that respect, NGOs' ability to make contacts in rural communities is harder, and almost impossible without the consent of a community leader.

For example, in 1983, 93% of Mexico City's Federal District budget was spent on debt repayment (Gilbert, 1990).
now lacks the economic resources to fuel its former populist policies through rewarding loyal clientele and demobilizing groups independent of the state (Zermeño and Cuevas, 1990). The “margin of maneuver available to state institutions” has declined and electoral victory of PRI candidates is no longer guaranteed (Foweraker, 1990, p. 18). Whereas the government has lost the economic resources and political legitimacy that once guaranteed its omnipresence in the social scene, popular and grassroots movements have correspondingly grown stronger (Escobar and Alvarez, 1992). As a result, NGOs have begun to play an increasingly prominent role in the social and economic development of marginalized communities.

Second, the changing balance of power between the state and the NGOs has made the latter more confident of collaborating/cooperating with the state without risking their autonomy. This is also, to a certain degree, influenced by global changes in attitudes of the left, where negotiation is increasingly accepted as a strategy of opposition. Although some NGOs still reject cooperating with the government on ideological grounds, many now consider this an outdated attitude that represents a politics of self-exclusion. As one NGO member argued, “today even Comandante Marcos [the leader of the Chiapas uprising] is sitting at the negotiation table with the government. Why should we not? We enter any space that opens up in the civil society, even if it is initiated by the government, if it serves our objective, we want to be included in it”. As the ruling system becomes more fragile, NGOs are pushing to fill the cracks opening within the system (Fox, 1994); in a sense, an empowered civil society is assuming the tasks of an enervated state. Today, the gap between the state and NGOs has reduced and NGOs place great emphasis on influencing the government and creating coalitions to oversee social and economic policies.

The 1985 earthquake in Mexico City also played a role in initiating the course of changes observed in later NGO activities. The tragic nature of the earthquake which increased cross-class social solidarity served as a catalyst for the mobilization of grassroots groups in affected areas and their success in achieving some of their demands. It sparked a torrent of international funds and donations to small voluntary organizations, grassroots groups, and NGOs—all of which were doing a better job of reaching victims than various government agencies. The influx of foreign funds nourished many small secular organizations and marked a boom period for Mexican NGOs. It resulted in a proliferation of NGOs, larger operational capacity, broader range of issues addressed by them, new foci of concern in their activities, and greater specialization of NGOs.
A major force behind these changes in NGOs' activities has been the international funding agencies. Funding for NGOs comes with conditions and guidelines; typically it is ear-marked for projects and issues of interest to the funder (for example amelioration of gender inequalities, poverty eradication, protection of human rights, electoral vigilance, sustainable development, etc.). Hence, this signifies an allocative prioritization of such issues on NGO agendas, and therefore questions the degree to which the new foci of NGO activities reflect the needs defined by marginal communities and NGOs themselves, rather than organizations that fund them.

Furthermore, NGOs' specialization and their growing division of roles and activities is influenced by the donors' expectations of NGOs' performance. Accountability to the funder and periodical evaluation of projects by funders has influenced the concern of NGOs with professionalism of their staff and organization. Some have brought in technical staff primarily based on their technical capabilities, rather than on their commitment to social change, which was the criteria focused on before. This is an additional indicator of NGOs' move away from idealism and voluntarism, which characterized NGOs in the earlier decades, towards a corporatism in which they operate more like contractors or consultancy firms.

The move towards professionalization of NGOs is also influenced by the ideological change among Mexican NGOs' activists in definition of their role, objective and agenda. This can be characterized as a move away from the notion of 'basismo', the idea that they should de-professionalize to serve the poor—to the notion that their professionalization is of benefit to the poor by providing better services to them (see FAM, 1995). Increasingly, consciousness-raising is being seen as ineffective with regard to helping the poor understand their needs and mobilizing them to pressure the state to meet their demands. The economic resources of both the state and the poor have diminished. The demand-making mechanisms that were effective in the miracle years (los años de milagro), the 1960s and 1970s, are increasingly ineffective with regard to moving a government that in the last decade has twice declared bankruptcy.

The poor need solutions to their amplified problems, and NGOs seek to provide them. In comparison to the previous decades, NGOs now place great emphasis on the developmental aspects of their activities, and their role in service delivery to the poor.

On the other hand, the government has also changed its approach towards independent groups and organizations. In this new context the government is relying more on 'discourse appropriation' as a strategy for absorbing the social opposition and thus promoting its existing position. An example of this may be found in

two new NGOs have sprouted from the parent organization: CENVI (Centro de la Vivienda y Estudios Urbanos), which is research-oriented, and FOSOVI (Fomento Solidario a la Vivienda), which works with grassroots organizations in target communities. COPEVI, moreover, has brought into its mandate the promotion of municipal and local governments. HIC (Habitat International Coalition) has also emerged as an umbrella NGO responsible for coordinating the activities of these and other NGOs concerned with housing at both national and international levels.

David Lehmann, in Democracy and Development in Latin America (Lehmann, 1990), discusses basismo as the ideology of 1960s and 1970s Latin American intellectuals and activists. He describes basismo as the "grassroots ideology of development" and adds that "in the strong version of basismo the 'people' are viewed as the only legitimate source of political understanding, the formal institutions of liberal democracy are regarded (though not precisely despised) as a type of alienation, and collective-consumption trade unionism and communal self-management, as opposed to party militancy, constitute the prime elements of political mobilization. It has been a form of opposition politics well suited to authoritarian regimes, because it did not require easily repressed operational or command centers" (p. xiii).

This refers to the crash of the Mexican peso in 1982 and 1994. On both occasions a state of economic emergency was declared by the Mexican government and foreign intervention was sought from the IMF and the World Bank.
the National Program of *Solidaridad* (*Pronasol*), 22 which was launched by the Salinas government in 1988 in an attempt to occupy the spaces that potentially could have been filled by opposition parties or NGOs sympathetic to them. While it was the special creation and favorite child of President Salinas, it also became a savior of the discredited PRI government (Cornelius *et al.*, 1994). There is a Mexican saying about 'having the cattle in one's own barnyard'. From the Mexican government's point of view, if the opposition is loose and cannot be dealt with either by restricting its access to economic and potential resources or by direct repression, 23 then it is best to bring it into the government 'barnyard'.

The program of *Solidaridad*, through appropriating the language and methodology of NGOs and through emphasizing grassroots participation in its projects, 24 tried to absorb many of the community-based groups that otherwise might have turned to NGOs for technical and financial support. The program also managed to attract some international development funds (such as those of the World Bank) that might otherwise have gone to NGOs. 25 In other words, once it was realized that the traditional corporatist channels of the PRI no longer functioned to control the popular sectors, and that NGOs and grassroots groups were an irreversible phenomenon, the government created its own version of an NGO: a governmental NGO (GONGO) or a quasi-NGO (QUANGO). 26

The *Solidaridad* program, as commentators state, was an effort to uphold state legitimacy and rebuild its constituencies (Dresser, 1991, 1994; Cornelius *et al.*, 1994). It was an 'image engineering' project to rescue PRI's popularity and provide a 'presidential face-lift'. The same funds and program that were previously channeled through various governmental organizations and ministries were now mobilized through the *Solidaridad* program and its more than 150,000 committees that were virtually or actually created across the country. This time, however, those services were repackaged as *Solidaridad* projects and delivered to the poor, not as their citizenship right, but as a ‘favor’ by the government to serve them through an extra-governmental channel.

State-NGO relations are repeatedly highlighted by researchers as the key determinants of NGO contributions to development (Bratton, 1989; Salmen and Eaves, 1989; Edwards and Hulme, 1992, 1995; Bebbington *et al.*, 1993; Clark, 1995). Whether the state tries to replace or control NGOs with its own GONGOs, tries to set hurdles and obstacles for NGOs, or facilitates their activities, is of significance to the success of NGOs in fulfilling their set objectives. In the Mexican context, the rivalry between the Mexican government and NGOs limits the possibility of NGOs to address livelihood issues of the Mexican poor.


23An example of this situation is the Guadalajara's sewage explosion of 1992, when the government succeeded in blocking out the voices of NGOs and popular organizations regarding the process of reconstruction. The government had learned its lesson after the 1985 earthquake in Mexico City, when popular organizations and NGOs took center stage and questioned government control of reconstruction. It must also be noted that the post-explosion mobilizations in Guadalajara had much more political potential than did the post-earthquake mobilizations in Mexico City. The tragedy in Guadalajara was not caused by nature but by PEMEX (the Mexican oil company) negligence and city officials who had not reacted appropriately to complaints about the odor of oil coming from sewage lines.

24A document prepared by *Solidaridad* lists the following principles: promoting social participation; respecting community initiatives and their forms of organization; co-responsibility between the governmental institutions and social organizations; and transparency, honesty, efficiency, and agility in the use of resources (Secretaria de Desarrollo Social, 1993, pp. 7–8).

25*Solidaridad*'s funds came from federal and state revenues from the taxes, sale and privatization of public enterprises and contingency funds. By 1993, the *Solidaridad* fund had reached US$2.5 billion, which represented 1% of the gross national product (Cornelius *et al.*, 1994, p. 9).

26In the African context, Michael Bratton (1989, p. 579) describes quasi-NGOs, or quangos, as public-sponsored NGOs that are organizational affiliates of government ministries. Quangos, the author argues, are superordinate agencies established by governments to contain voluntary-sector activities and to co-opt autonomous organizations.
Neither the state nor NGOs are, however, static or monolithic entities. Through time, based on the new social, political and economic dynamics, the relations between the two have been changing and they are both trying to articulate new linkages with each other and with the poor. The rules of the game have changed; the government, opposition parties, social movements, and NGOs have all had to reposition themselves and to re-examine their roles, objectives, and methods. It is within this new social and political context that NGOs face important challenges.

**CHALLENGES FACED BY NGOs**

How can NGOs operate at greater service delivery capacity and still remain faithful to their original objective of empowering the poor? How do NGOs keep from becoming new patrons to low-income communities? Furthermore, how far can NGOs assume autonomy, given their financial dependence on agents external to the beneficiary community?

In analyzing NGOs and their relationships with community-based groups, one should keep in mind that in Mexico (1) the state has traditionally monopolized the delivery of social services, and (2) the ruling party has traditionally influenced popular sectors of the population and has played a strong role in mobilizing grassroots communities. Many of the community-based groups that are now actively engaged with NGOs are spin-offs of social programs earlier launched by the state (Fox, 1994). For example, CONASUPO (the National Basic Foods Company) stores, which were originally created by the Mexican government to distribute basic food items at reasonable prices to disadvantaged communities, are now self-managed by low-income communities and sometimes assisted by NGOs. Furthermore, some of the neighborhood associations in marginal urban settlements were initially encouraged by the PRI but eventually turned inward for self-reliance or to NGOs for technical assistance. A similar phenomenon is occurring with the community-based groups created by Solidaridad in both urban and rural areas. With the disgrace of former president Salinas, and in absence of continued support to the program, many of these groups are now seeking NGOs’ assistance to pursue their activities.

The increased presence and the greater activities of NGOs in the social scene is viewed in one perspective as a response to an opportunity for civil society to take advantage of the public sector’s problems and to enhance its power to bring about social change. An opposing perspective views NGO activity as a free service provided to a corrupt government in order to postpone its collapse. This view is skeptical of the ‘celebration of civil society’ which surprisingly runs in parallel with the ‘celebration of market’ and withdrawal of the state from public

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27Even the Roman Catholic Church, as the government’s only competitor with regard to delivery of social assistance, has been severely restricted by the state. In Mexico, the tension between the state and the church dates back to the post-independence period, when the former marginalized the economic and political power of the latter, because it had previously been an ally of the colonial rulers. By 1861, church properties were confiscated, its activities were subject to taxation, and priests and other religious figures were denied the right to participate in elections. But some social assistance institutions, such as asylums, orphanages, clinics, and schools, remained under church control (Concha Malo et al., 1986).

28Fox and Hernandez (1992, p. 200) cite a comprehensive 1981 survey of regional producer organizations that shows that two-thirds of these autonomous groups were founded through government initiative and that most of the rest were connected to the official peasant organization promoted by the government in the 1970s to implement rural development policies. (The study cited is by Maria Teresa Fernandez and Fernando Rello, La Organización de los Productores. DICONSA, Mexico City, 1984.)

29In the early 1980s, when the government had to reduce its management costs, local groups bargained to exercise greater influence in operating the program and many food distribution outlets became self-managed. For a comprehensive analysis of this program, see Fox (1992).
assistance and services. To this latter perspective NGOs are a necessary component of a neoliberal and market-driven agenda where they clean up the social problems created by the government's neoliberal policies but which are not responded to by governmental organizations.

For example, in rural areas, NGOs offer income-generating projects to impoverished ejidatorios, whose problems have been exacerbated by privatization under neoliberalism and the sale of their land on the 'free' market; commercialization projects to agricultural producers who face economic hardship due to the removal of major agricultural subsidies thanks to structural adjustment policies; and ecologically sustainable projects to people in areas that were deforested by the excessive private-sector exploitation. Similarly, in urban areas, various NGO projects attempt to compensate the poor populations for the removal of social assistance. Such compensation takes the form of NGOs' support for community kitchens, low-cost basic food stores, child-care centers, bank of construction materials for housing, revolving funds, and waste management and environmental projects in border towns that have grown rapidly as a result of export-oriented industrialization policies.

Any of the aforementioned projects could be interpreted either as an opportunity or a burden, for civil society to take over a realm of activity that was previously occupied by the state. I believe that the two perspectives, in viewing NGOs' activities, do not need to be mutually exclusive. The rise of NGOs in the last decade has not been an entirely endogenous trend due to the changes in the intellectuals' and activists' approach to see incremental, as opposed to radical, change in line with their commitment to the cause of social justice and the poor. The rise of NGOs also lies in the increased support they receive from foreign donors and international development agencies. The increased support provided for NGOs' activities by organizations such as the World Bank is motivated precisely by the fact that they also stand behind policies such as the structural adjustment that prescribes withdrawal of the state from public assistance. NGOs do compensate for the gaps left behind by the state and ameliorate the situation by providing a safety net for the poor who can no longer count on the state's already frazzled safety net. Nevertheless, this situation does provide an opportunity that can be taken advantage of to strengthen civil society. Although this potential is real, its realization is not definite and might result in the contrary.

More specifically, I am most concerned with the implications of the enhanced role played by NGOs in social and economic development. NGOs today have

30I acknowledge insightful comment by Vinay Gidwany to illuminate this point.
31For a presentation of both viewpoints see Hernandez Navarro, 1995. For the former perspective, also see the first issue of Rostros y Voces, 1995 (July and August).
32CECCAM reports that, following structural adjustment policies, public subsidies to the agricultural sector, which in 1982–1986 consisted of 2–3% of the gross national product, were reduced to less than 0.7% of the GNP in 1991 (CECCAM, 1994, p. 31).
33The following illustrates the aforementioned two possible views of NGO activity. In 1987, in a small rural municipality in the State of Puebla, farmers mobilized against the continued deforestation of the area, which had resulted in land erosion that had adversely affected their crops (primarily beans and corn). (Deforestation of the area is by and large due to the activities of the local paper mill, owned by an influential family whose interminable logging dates back several generations.) The government, in order to pacify the disenchanted farmers, offered them a development plan that involved switching their production from beans and corn to fruits. Farmers were offered peach seedlings at almost no cost. The farmers did not know much about caring for fruit trees, but they accepted the offer because fruit sold at a higher price than beans and corn. After a few years, however, the problems resurfaced. The type of peach farmers were given was of minimal quality and low productivity (it had a 1-yr reproduction cycle). In addition, in order to compete with imported peaches farmers needed to invest in pesticides which they could not afford due to increased prices and the removal of public subsidies. The fruit trees ended up as a liability rather than an asset, as farmers could neither get rid of them nor care for them. This was when they contacted an NGO. The NGO organized training workshops in the use of alternative pesticides and fertilizers and also established a revolving fund for agricultural credits. On the one hand, the livelihood of these families could have been lost without the limited assistance of the NGO; on the other hand, the NGO intervention smoothed over a problem left by the manipulative policies of the government.
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financial and technical capacities that they did not previously enjoy. In the 1990s, NGOs are absorbing some of the funds that used to be directed to the government (e.g. those from the World Bank and the Inter-American Development Bank), and they are addressing certain popular-sector needs that used to be addressed by the government. The greater capacity of NGOs to provide services to the poor challenges them to avoid reproducing a patron–client relationship with popular organizations. “People have never got anything without having to give something—often political—in return”, says one NGO member. “This makes it difficult for NGOs to provide some sort of livelihood project in a community and not be treated as a patron by the community or its organization”.

The extent to which NGOs can promote democracy while addressing livelihood issues primarily depends on how they conduct their relationship with popular organizations and the local communities which they serve. In other words, it relies on achieving institutional and methodological changes that coincide with the changes in their agendas and missions. With this in mind, some NGOs (like Enlace, Comunicacion y Capacitacion) have employed a strategy for formalizing their relationship with popular organizations. These NGOs sign a contract with the beneficiary group and charge a minimal fee, which is often merely symbolic. This strategy, which Enlace adopted in 1992, is an effort to clarify the responsibilities of both the NGO and the beneficiary group. It is designed to make the NGO accountable to the community (and not merely to the donors) and also allow the beneficiaries to demand quality service. This method, viewing NGOs as being hired by its beneficiaries to perform specific tasks, was an effort to avoid re-creation of a patron–client relationship between NGOs and popular organizations, and also to prevent competitive tendencies among NGOs—tendencies that could lead NGOs to treat certain communities as territorial possessions. The notion was to encourage one popular organization or one community working with various NGOs on different projects, each based on a specific task and contractual agreement, and thus to prevent community members from depending on one NGO for all their needs: a situation easily prone to ‘patronage’. Clearly, strategies of such nature do not guarantee, but are efforts on the NGOs part, to help prevent recreating patron–client relations between the NGO and the local community groups.

One of the founders of a consulting firm (Espiral) in Mexico City, Gabriela Sánchez, who advises NGOs on the topic of institutional improvement, identifies NGOs’ transition from one organizational identity to another as the key dilemma currently faced by Mexican NGOs. As she points out, over the past few years the changing roles and objectives of NGOs have often resulted in a state of confusion. The confusion stems from NGOs trying to determine whether they are pressure groups, groups dedicated to providing technical assistance, both, or neither. NGOs must decide whether their staff members are ‘actors’ who present proposals and act independently from (but in close association with) popular organizations or are ‘instruments’ who merely convey the interests of the poor and facilitate the raising mass consciousness.

As the scope of NGO activities widens, these organizations must develop their ability to lobby, build mechanisms of pressure, develop alternative public policies, formulate small-scale development projects, and promote democratic participation at the community level. Each of these roles requires different skills and specialties. This has brought a new wave of professionals to these organizations, but the challenge is to absorb and accommodate them without creating a divide within the organization between the políticos and the técnicos-políticos being the old-timers, the charismatic leaders, the founders of the organizations, and the ex-militants of the popular movements; técnicos being the new generation of professionals who have joined the NGOs to offer their technical skills.

In short, changes in NGO objectives have resulted in confusion and complication
regarding the role of members within the organization as well as outside the organization with respect to their relation with the community-based groups. Grassroots groups might view NGOs as standing between the community and the funding agency, and uselessly siphoning scarce resources. They might also find that NGOs' activities perpetuate existing undemocratic traditions within the community. For example, training of leaders (who do not necessarily rely on democratic relations within the group) often results in the accumulation of knowledge among only a few: clearly, a way of creating new types of privilege within the group. Whether the NGO trains all or only some members of the beneficiary group, may be a clear indication as to what role the former is playing with regard to promoting democracy at the local level. Undoubtedly, there is a tension between the short-term and long-term results, and between cost efficiency and an NGO's organizational reach (Riddell, 1990). Though training all members is costly and time consuming, training only some members may well accentuate existing hierarchies. 34

The issue of autonomy poses another challenge to Mexican NGOs, who have managed to be politically autonomous from the state, but have come to depend on foreign finance. NGOs in Mexico find it difficult to sustain their projects without external funds. While some might manage to finance their organizational costs through diverting the interest on funds directed to specific projects, self-sustained projects are still rare. Lack of financial autonomy also increases NGO vulnerability if and when funds dry up. For example, one NGO 35 was created by inner-city victims of the 1985 Mexico City earthquake in response to housing needs, and consequently attracted a substantial flow of foreign donations. However, after a few years, when the immediate earthquake-affected population had been taken care of, the funds stopped. Meanwhile, the organization had grown and had generated expectations among a considerable number of other inner-city families, who had invested years in helping others and now wanted to be helped in their turn. When funding ceased, the leader of the NGO was under considerable pressure from beneficiaries (who wanted to pursue their half-completed projects), and from government agencies (whose assistance to the group was determined by the political cooperation of its leader). The local group's leader assumed the role of PRI representative in an official organ of the public sector, and, in the following months, the legal hurdles hindering release of the land were removed and applications for low-cost loans were easily approved.

There is seemingly nothing new in this case, which exemplifies a typical co-optation strategy on the part of PRI. What is critical here is the degree to which grassroots groups and NGOs are financially dependent on external agents, and for that matter vulnerable to their decisions. “We cannot sentimentalize NGOs and create a new-ism about them, or NGOism” as one NGO leader cautioned. NGOs obvious financial dependency on foreign funds makes them vulnerable and in danger of disappearing once the fund providers change their strategy and remove their support.

34 In this context, Enlace advocates training of the intermediaries within the communities. Intermediaries are community members who are between the leaders and the bases, they play an active role in the project and within the beneficiary group. The intermediaries, Enlace believes, are often more able to pass on the technical knowledge gained through workshops than are the overloaded leaders. So while the leaders might have to spend a great deal of time representing the group to external agents (NGOs, government officials, other communities, etc.), intermediaries can dedicate their time to transferring knowledge gained at training workshops to the groups as a whole.

35 The interviewed organization wanted to maintain the confidentiality of the information, therefore in this text I keep the organization and its leader anonymous.
CONCLUSION

Recent history of Mexican NGOs marks a major shift in their identity and objectives from de-professionlizing to professionlizing themselves, from working with the poor to working for the poor, from emphasis on opposition to search for proposition, and from empowerment to development. While there are variations in how NGOs define their agenda and how much weight they place on different aspects of their activities—namely on empowerment or development—there has been a general shift of emphasis from the educational or empowerment aspect of their activities towards the development or service delivery aspect.

The ideal situation, however, for many NGOs, is painted as one in which they hold a double-edged sword of democracy and development and clear a path of social change towards social justice. In this ideal situation the NGO mission is contributing to both democracy and development—without treating one as a secondary goal to the other. The notion is to contribute to the country’s processes of democratization by community empowerment and local-level practices of democracy, and achieve development through local-level improvement of living conditions for the poor. How much of this double role is actually or realistically achieved by NGOs in Mexico, however, remains as a question for the skeptical analyst and as a real challenge for the NGO activist.

The potential of NGOs to promote democracy is real, but a democratic outcome is not guaranteed. It is quite likely that they reproduce the undemocratic practices and relationships, only in a new non-governmental form. The extent to which NGOs can contribute to the process of democratization, depends on how critical they are of their own linkages and modes of interaction with the grassroots groups, the state, and their foreign donors. In other words, how they themselves practise democracy at the local level, within and outside their organization.

What is undeniable is that NGOs undermine the power of authoritarian regimes by providing services to the poor outside government channels. In Mexico, this challenges the tradition of patronage and promotes democracy—but it will continue to do so only if NGOs can manage to avoid becoming patrons themselves.

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