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## **The Role of NGOs and Women in Meeting the Challenges of a New Era**

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### **Introduction**

I was asked to speak about "The Role of NGOs and Women in Meeting the Challenges of a New Era." You have been visiting American NGOs, including visits to women's organizations, and so I imagine you already know a lot about these topics. I would like to add to that knowledge, if I can. As I know the US NGO world better than Japanese NGOs, I will focus on that. I hope in informal discussions later, we will explore parallels and differences between NGOs in the United States and in Japan.

My comments today will elaborate on three basic themes. They are:

1. NGOs have deep historical roots in the United States. They are part of American culture and character. I will try to explain why they are so treasured.
2. NGOs face challenges of two sorts:
  - challenges of social problem-solving such as addressing the problems in the economy, problems of crime, and problems in education, etc.
  - challenges to NGOs' status and way of operating freely.
3. Women in the United States have often begun their professional problem-solving experience in NGOs, and as they move in greater numbers from NGOs to political life, they will bring to government some valuable perspectives and values they developed in NGOs.

So let me begin with the first part—why we have so many NGOs and why we treasure them.

NGOs sprang from early Americans' conviction that the society could and should rely on citizen initiative as the first force for community problem-solving. These early Americans had experienced oppression from a monarchical government and distrusted concentrations of governmental power. Also, the colonies and then the

early new states of America had few resources to create powerful governmental bodies. We sometimes forget that the United States was at first a poor country. Thus a habit of forming associations of volunteers and informal groups emerged in the early colonial and post-colonial days. These groups were created for a range of purposes—civic, cultural, and social.

This habit of forming NGOs, as they are now called, became part of our national culture and character. That in itself is interesting because a number of “early habits” died out over time and this one did not. It is interesting to speculate as to why this is so. I believe it is because over time Americans began to recognize and like the role NGOs were playing. For example:

- NGOs were and are the place where innovative people whose primary interest is other than profit test new ideas that could serve the public.
- NGOs developed and gained public support for ideas that would ultimately be subjected to political decisions but were not yet ready.
- US NGOs represented the many cultures that made up the United States and they helped people maintain and promote their own cultural traditions. They were a part of the pluralism we value so highly here.
- We are a country of immigrants, and NGOs’ support to immigrants was very important.
- NGOs were and are major employers. They help keep our economy vibrant. They are often organizations of opportunity.
- NGOs are often closer to “the people” than government, as they are distributed block by block, neighborhood by neighborhood. As a result, the government asks them to do a lot of its service work and pays them to do it.
- NGOs are a product of our kind of capitalism in a mixed economy. They are in the social purpose business.

Our society would have great difficulty functioning and meeting new challenges without NGOs. Since you are in New York City, it is worth making this point in the New York City context. A recent study of NGOs in New York City found that:

- There are 61 nonprofits per square mile in New York City.
- They account for 12.5 percent of total employment in New York City.
- Some are very large—60 NGOs account for 43 percent of NGO employment in the city. Over 20 percent of these have budgets over \$1.0 million.
- Some are very small—37 percent of New York City NGOs have no full-time staff. Forty percent have budgets under \$125,000.
- Operating expenses for New York City NGOs in 1989 were \$32 billion.
- Some are heavily reliant on government for their budgets—health, social services and housing NGOs derive close to 70 percent of their income from government—doing the health, housing and social business of government.
- Over three quarters of all New York City NGOs use volunteers.
- Two-thirds of employees are women.
- New York City nonprofits are a mix of old and new. Some date from New York City’s earliest days and others (a large number) were built in the 1960s and 1970s when there was a surge of NGO creation.

NGOs are a crucial part of New York's economy, community-level support system, and part of life for large numbers of paid and volunteer participants.

They are important to both well-off and poor people. It is important to remember that low-income people volunteer in and give money to NGOs as often as those who are better off. So voluntary NGO participation is not a function of leisure time or surplus money.

Let me now shift to the challenges nonprofits or NGOs face. One of the topics the US public seems to be most concerned about is jobs and employment. Let me describe how I see nonprofits contributing to the efforts to address these problem area:

### **Jobs and Employment**

National economic policy is one factor influencing the United States's capacity to generate jobs.

- The President and his advisors continually frame and reframe economic policy initiatives. Their ideas are shaped, in part, by analytic work done in policy institutes that are NGOs, universities that are NGOs, and by governmental officers and advisors who move between jobs in the government and jobs in NGOs.
- National economic policy is also shaped by actions of CEOs and directors of major US companies. They also make decisions based in part on work done by policy research NGOs, universities that are NGOs, and other nonprofit based advisors.

Job training and educational policy are another influence on the United States's ability to compete economically and generate jobs. Here again the NGO world is key:

- Some of the best pathbreaking work testing new training and educational methods is done by NGOs (often with partial financing by the government.)
- CEOs concerned about federal policy and federal spending for training and education often express their views clearly through a variety of channels including NGOs like the Business-Education Forum, the Council for Economic Development, and the Business Roundtable.

I could easily make a similar set of comments about our next crucial issue in the public mind—personal safety—where NGOs will also have a major role. In other societies such as in Japan, public safety is considered solely a governmental responsibility. In our country, government is responsible for public safety, but NGOs are important partners in crime prevention and public safety. We can talk about NGOs in this field later, if you want.

### **Hospitable Environment for NGOs**

As I noted at the start, the second category of challenges for NGOs involves threats to their operation as tax-exempt, free organizations. Six worrisome developments suggest to me that NGOs may be in for a rough time in the next few years.

First, we live in a period when confidence in government is low. And many of our key institutions, some of them NGOs, seem to be similarly unpopular. Whether it is schools, universities, or hospitals, the public too often believes it sees lackluster performance, rising costs and often undeserved privilege. This may be an unfair judgement of NGOs but it is widely expressed.

Second, we know that the gap between the well-off and others in the United States is widening. For example, an increasing percent of the net worth of American families is being held by a small number of wealthy people. At the same time, the purchasing power of low-income groups has eroded and essential budget items such as housing are increasingly expensive. These developments can intensify the anger that less well-off people feel and express when they see what they believe are abuses of public trust in the NGO field. In general, people may be less forgiving or generous-spirited when their own circumstances are uncomfortable.

Third, we seem to be only midstream in rethinking the organization of American government. From 1930s to the 1970s, we saw an increasing federal government role in active problem-solving. First, new federal programs of social security, unemployment and cash assistance were created. Later, cost-of-living adjustments on social security, Medicare, Medicaid, community action, Headstart, broadened employment and training, and low-income housing were also provided. Then around 1980, the emphasis shifted to leadership at the state and local level. The federal role declined. We saw cut-backs in many federal initiatives, particularly those focused on non-aged low-income people. This shift was accompanied by talk about the private sector including NGOs "taking up the slack." So we have been in period of shifting government responsibility.

But in truth, as a nation we have had very little careful analysis and persuasive argument from any side about what social responsibilities should be taken up by the various governmental or nongovernmental sectors and by individuals. No one has made a powerful comprehensive case for assigning particular sectors to the federal level, others to state and still others to local government. In addition, few people involved in the debates about governance have clearly defined where the nonprofit sector fits and what it takes to make it work. Little comprehensive discussion of this kind in a public forum has occurred. This leaves us with a fair degree of confusion about what we should expect from government, from business, from NGOs and from individual initiative.

The fourth concern is that many government employees believe they are significantly underpaid. Federal workers' pay has lagged behind inflation over the last 20 years and at the state level many governments have ended annual increases and have frozen or reduced benefits. In 1991, six states did not have across-the-board pay increases; in 1992 it was 22 and in 1993, 24. It is possible that government workers will look critically and perhaps resentfully at what they believe is the better pay of some parts of the NGO sector, and the apparent privilege this represents.

In the last year, press coverage of a few high NGO salaries may have exacerbated this problem.

Fifth, we have a clear need for a strong tax base and legislators are looking hungrily around for new sources of governmental revenue—some see the nonprofit sector as promising.

Sixth, and finally, many of the problems we now must address seem particularly difficult to solve. Either they are exceedingly complex, such as reducing the federal deficit; or they are driven in part by forces beyond our borders and difficult to control—such as immigration to the United States or environmental problems like acid rain or ozone depletion, or the loss of low-skilled high-wage manufacturing jobs in our economy. Such problems do not lend themselves to easy solutions and this recognition sometimes pushes people away from personal engagement in problem-solving, toward a more intense focus on the shortcomings of their own situations.

What can all of this add up to? It can produce:

- an increasing anger and frustration directed toward some of the institutions designed for the common good—such as NGOs;
- intolerance of what are perceived as special privileges in NGOs and abuses;
- an unrealistic expectation about the capacity of NGOs;
- an increased likelihood that people will accept simplistic and sometimes faulty answers to difficult problems.

As a result, NGOs are somewhat at risk.

Given these possibilities, nonprofit organizations (NPOs) cannot afford to leave it entirely to others to explain the roles they see for themselves in the 90s and early decades of the 21st century. The challenge to NGOs is to play a major role in explaining where they think they fit, why they deserve the special supports and accommodations they enjoy, and what they believe is essential for their sustenance and success.

Our field has precious few well-informed analysts. Political scientists will write about governmental change and reform. Historians will focus on leadership and redirection of government. Sociologists will focus on public attitudes and behavior. Journalists will record and comment on public events. Few such people really know or understand the NGO sector. So for a while at least, nonprofits will have to do much of the job of educating the public about nonprofits.

NGOs need a public relations campaign. NGOs themselves could develop it first within their organization to make sure their staffs really understand why NGOs developed, why they are key now, and what the future issues are. We take this knowledge for granted. We believe everyone in the United States shares our understanding and appreciation of NGOs. We should not do so. The challenge is to make this knowledge explicit and to thereby help protect our NGO sector.

I believe we can do this. We know that much of the hard work addressing challenges to NGOs will be done by women, who are a disproportionate share of NGO staffs and boards.

This brings me to my final point. NGOs are the places where many women in the United States first gain experience in social and community problem-solving.

Women begin such community involvement:

- by working in religious organizations, daycare systems and elderly care services;
- in school volunteer networks, homework help systems, and tutoring or school safety work;
- by helping hospital patients cope with stress and depression;
- by patrolling streets to reduce crime after school hours.

This is far more commonly the experience of women than of men. It is direct, personal and "hands on." Now, as larger numbers of women are moving into elected and appointed government jobs, they are bringing these same interests and attitudes toward problem-solving with them.

This is a good development. One of the primary challenges for government today (in the United States and elsewhere) is to avoid being bureaucratic, remote, inflexible, and out of date. Citizens and residents of each country want government to be:

- responsive, *not* remote and passive
- caring, *not* bureaucratic
- flexible, *not* tradition-bound

But our governments are not always what we want. However, women seem to be bringing some of these qualities to government and displaying them more than men. This can be refreshing, catalytic and inspiring.

So far, not too many studies have been done that examine the impact that women's increasing presence in high-level government is bringing. But there are interesting clues from the few studies we have. Let me note just a few that were summarized recently in publication from Rutgers University's Center for the Study of Women in Politics. Studies of women who have recently entered federal, state and municipal-level government point out that:

- Women office-holders who have close ties to NGOs and women's organizations are more active in reshaping the policy agenda than those who have no NGO links.
- Women in office are more likely than men to give high priority to government programs for children, women and families, health, welfare, human services.
- Women in office seem to give more attention and support for spending on direct services than men do.

These and other findings are very new, based on small research samples. But they ring true to me. I believe they have parallels in my own experience at the Ford Foundation. Changes like those noted above which women brought to govern-

ment are similar to the changes women have brought to the Ford Foundation over the last 20 years. When I started at the Foundation in the early 1970s, there were few women in the professional ranks. As the numbers rose, new questions emerged, often on the urging of women staff members. They included concerns about:

- how relationships between women and grantees work
- how the Foundation's own behavior as an employer needed to be rethought in terms of family support
- how our agenda needed to address both service innovation and policy analysis

So my final point is that I believe the NGO experience that many women have has a profound influence on their approach to work—in the private sector and the public sector, such as government. The increasing participation of women in government will help correct some of the bad characteristics of government that all societies struggle with. You know this yourselves as many of you are seeing these same developments in Japan.

So I see a very important professional and value-oriented role for women and for NGOs as we move to the 21st century. I am pleased I have been part of that process in the last few years and hope we can continue to discuss its implications in our two countries.