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The Future ICSO

An Interview with Burkhard Gnärig

Burkhard Gnärig, the Executive Director of the International Civil Society Centre, has been a leader in international civil society for over two decades. Allen White of the Tellus Institute interviews Gnärig about the current landscape of international civil society organizations (ICSOs) and what they must do to adapt to a world filled with new challenges and opportunities.

What major shifts in the evolution of international civil society organizations (ICSOs) society have you observed during the past two decades?

There are three that I find most important. The first one is growth. When researching for my book, I looked at the income figures of six major ICSOs in 1996 and 2008. They grew between 60 and 440 percent in turnover, with an average of nearly 300 percent. You will not find many large and established companies that have grown that fast. Such rapid growth has transformed the ways large CSOs do business.

Let me offer an example. When I came to Save the Children in 1998, its global turnover was about \$350 million; when I left in 2007, turnover had reached \$1 billion. Tripling within nine years brought the need to manage the organization like a middle-sized business. You cannot run such an organization in the way most CSOs are run. New management and governance tools are essential but are largely untested in the civil society sector. As the sector continues to grow, leaders must develop customized approaches and find ways to deal with issues that their predecessors did not have to face.

The second shift is globalization. As you may know, most CSOs are very concerned about globalization. I personally am positive about it. I don't question all the challenges and widely

documented negative effects, but I do believe growing together as a global community is, overall, a good thing. Global challenges—climate change, migration, population growth—need to be tackled not only at the national level but increasingly at the global level as well. The problem is that our decision-making lags behind the reality of a globalizing world. We often criticize businesses because they wield too much power or influence, arguing that governments and civil society should have more control over them. Obviously, business has a lot of money—more than many governments and definitely more than CSOs. But another issue that makes them different is that they have effective global governance, so they can make global decisions in a way that the UN and CSOs cannot. Working with Save the Children’s 27 national affiliates, who had to agree on major decisions, I saw a situation akin to that at the UN, where one or two key countries can stop progress. We need to learn from business how to govern globally in a more effective way.

The third major shift is disruption. Interestingly, in many CSOs, disruptive innovation is observed with a degree of skepticism. I hear reactions like “Oh, yes, that happens in business, but it won’t happen to us.” We can identify a number of highly disruptive developments relevant to ICSOs, but may not appreciate how disruptive they can be.

An example is what we call disintermediation. Twenty years ago, the only way German donors could provide support to a Kenyan civil society organization was by going through one of the German civil society organizations. Nowadays, through the Internet, you can go directly to Kenyan organizations, bypassing the German intermediary. While most donors still use the traditional channels, I expect to see the tide turn rather quickly, rendering obsolete some of our current business models. We already can see the beginning of that situation, but because the impact on revenues is still limited, many ICSOs tend not to take this trend seriously.

Does civil society sector growth translate into impact? And, more deeply, why is the growth occurring at such a rapid rate?

I think that it is partly because of globalization. In Save the Children, for example, we systematically opened up new markets. We looked at the globe—not just individual countries—as our fundraising turf. And then, with the global perspective, we decided upon which areas had

the highest probability of strong returns on our investment. We were taking a global approach—and a systematic one—earlier than many of the other global CSOs.

The question about impact is a tricky one. Clearly, increased revenues for a children's organization enable more benefits to the targeted children. I think Save the Children and many others could demonstrate that they have reached more kids and have achieved more good with more money.

Now, you might look at the organization and say, "Well, wouldn't leveraging their work through targeted advocacy be a better approach than just bringing in more staff and reaching more individuals? Wouldn't it be even more successful if you could better leverage funds you already have?" I would say both need to happen. A starving child will not agree with an organization saying, "I need to put my money into advocacy. I'm sorry; I can't do anything for you." So I think the either/or question is an ethically problematic one. And the problem I see is that because of financial growth, the question of expanding operations has often overshadowed that of maximizing political impact through advocacy.

So, to the many people who doubt that more money translates into more impact, I would say that it does, but that growth alone is not sufficient to achieve maximum impact. However, without growth, you often see complacency and unproductive conservatism taking root, and that is definitely not good for impact.

Many of the Centre's "owners"—like Amnesty International, Greenpeace, and World Wildlife Fund—are federated organizations with chapters or offices that operate fairly autonomously. Do you think such a model—in contrast with the structure of hierarchical corporations—is problematic?

Yes, the federated model is absolutely common and not often very helpful when fast and effective global decision-making is required. Its origin is understandable. Basically, all ICSSOs were founded in a specific country at a specific time (Save the Children in 1919 in the UK, for example). Other countries liked and copied the idea, creating their own national organizations with the same name. At some point, these national organizations adopted an umbrella name, sometimes after existing separately for decades. Until today, power in many organizations had still been rooted mainly at the national level.

Now, we are living in a globalized world, with about thirty major international CSOs among the hundreds of thousands of national and local ones worldwide. Yet confederations of national affiliates rarely make for effective global enterprises. I believe that successful ICSOs in the future will need to have effective global governance structures. I cannot see how a federation where most of the power is held by a small number of large national affiliates can achieve this.

Does your organization promote the governance concept you describe?

The Centre doesn't promote any concepts. Our aim is to bring together the top 30 ICSOs and function as a service entity, helping them to navigate change. I have just finished a book in which I raise the issue of governance. And I have been asked to advise a number of organizations on their global governance structure, and in doing so, I have been learning from the experiences of several ICSOs and observing considerable deficiencies in current models.

What are the main themes of your book?

The book is about the future of ICSOs, the disruptive forces that are affecting or may affect their behavior, and how the reality of planetary boundaries—especially the reality of climate change—has emerged as a major challenge demanding a shift in how ICSOs see the world.

Our old model has been quite successful in transferring money into projects in the Global South. However, today, we need a model that combines help for the South with substantial changes in our own societies in the North. The reality of planetary boundaries demands that we change our lifestyles and reduce the overconsumption in our society. And if we talk about a fair distribution of available resources as they become scarcer and more expensive, then we in the Global North must accept that we are using much more than our fair share. Thus, much of the long-term impact of international CSO activity depends on the work in the Global North as well as in the Global South. This is critically important to organizations which rarely, if ever, see themselves involved in shifting behaviors in the North, instead seeking to soothe the consciences of their supporters—and, to a degree, their own—by focusing solely on programs in the Global South.

Fundraisers will tell me, "Well, if you ask a German audience to change their lifestyles, then you can forget about raising funds from them." So I expect the book will raise a number of existential questions which I believe are timely and essential to put on the ICSO agenda.

A second area I address in the book is the governance of CSOs, as we discussed earlier. Many crucial issues are addressed nowadays at the global level, but too many are not addressed at all. The global failure to seriously confront climate change is itself a decision, in effect, to retain our unsustainable lifestyle. CSOs have to play a role in moving towards active decisions rather than decision by inaction. To do that, they not only need to widen their focus to include the Global North but also to improve their own global governance.

In the course of writing the book, I changed my working title from *The Future of ICSOs* to *The Future ICSOs*. I dropped the word “of” because I am not sure that all of the existing ICSOs have a future.

ICSOs often appear detached from citizen protests. How do you view the emergence of the proliferating protests around the world? Is it good news or bad news—or no news—from the standpoint of ICSOs?

It is definitely very important news. The immediate reaction to the Arab Spring was shock that it happened and that CSOs had little or no role. And then there was a discussion of what our mistakes had been. Should we have seen it? Shouldn't we have been there in the first battle line?

Moving forward, the question is, what is our role, and how do we fit into such citizen movements? I don't think that our discussion has taken us to a single answer. Personally, I see these protests as a form of campaigning quite different from the campaigns of a Greenpeace or an Amnesty International, which have clear objectives and orderly rollouts. When you are a Greenpeace activist or an Amnesty member, you contribute to one of their campaigns with a clear understanding of the process and goals. That is a very different approach from one where people say, “We want to get rid of our leadership,” and then spontaneously proceed to the streets to make their views known.

But I think that CSOs can help. Once the change is underway, protests need some form of institutionalization to sustain mobilization without succumbing to the old guard. I believe CSOs have a role to play in this transition. Whether they will be able to play that role depends mainly on two factors.

For one, they cannot play that role for as long as they define themselves as a closed shop under an ICSO brand, confined to do only what the board permits. However, if ICSOs are able to develop a more flexible and adaptable platform, they will be positioned to play a very constructive role.

The second factor is whether those working for change would accept a CSO and allow it to play a role. This question depends on how the people look at the CSO, and how much the organization is seen as part of the old order rather than as a credible and legitimate part of the change agenda. However, with or without CSO support, the question of how to turn citizen protests into sustainable political action will still have to be resolved. Whether ICSOs will be part of the resolution is still a very open question. If they want to be part of the solution, they have to get ready. And that means very actively changing their approach.

In the last two years, has this question of support for, or anticipation of, such citizen movements been part of the Centre's agenda?

Yes, there is an increasing awareness that overcoming the borders and prejudices between ICSOs and popular movements is quite important and that both sectors need to cooperate much more closely. If ICSOs ignore popular movements, they will probably become isolated and be seen as part of the old order. The question the ICSOs will have to consider over the next ten years is whether they can change enough to become part of a new order. In 2013, the Centre looked more deeply into the consequences that disruptive change has on ICSOs, and this year, we are exploring alternative business models that these organizations could adopt to stay relevant and resilient in a changing world. There is strong interest in these issues from our stakeholders, so it is clear that the ICSOs are struggling with these questions.

So, returning to the issue of governance, the question then becomes whether the boards of directors in major ICSOs will be ready and agile enough to anticipate and support—or even catalyze—high-impact citizen movements.

That is exactly the question. And I would not want to give an affirmative answer, but rather underscore that the boards and the organizations need to answer very soon. Many are aware of their own governance deficiencies, but changing structures that have evolved over decades is obviously very difficult. Convincing people who have the power to share power with others

is also difficult. The success of this process of reform will very much depend on the ICSOs themselves.

About the Interviewee



Burkhard Gnärig is Executive Director and co-founder of the Berlin-based International Civil Society Centre. From 1998 to 2007, he was Chief Executive Officer of the International Save the Children Alliance, earlier serving as CEO of Greenpeace Germany and Terre des Hommes Germany. Previously, he was a field director in Papua New Guinea for the German Development Service. He has been a chair and member of the boards of CSOs in Germany, Italy, Switzerland, India, Korea, and Japan. Gnärig just finished a book on disruption and innovation in the civil society sector which will be published in October 2014.

About the Publication

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