

The World Ahead: Implications for U.S. INGOs

Over the next ten years, geopolitical shifts and changes in the international development landscape will require INGOs to adapt, evolve and play new roles in order to be relevant and effective actors. This paper¹ considers how the landscape of development and humanitarian action is likely to change, what that will mean for development and emergency-related needs, and what the broader implications may be for the relevance of U.S.-based INGOs ten years from now.

How is the Landscape of Development and Humanitarian Action Likely to Change?

Proliferation of Actors, Fragmentation of Efforts | A proliferation of actors and fragmentation of efforts will define the development and humanitarian landscape. Even today, that landscape is marked by traditional powers (e.g. the U.S., Western European countries), emerging powers (e.g. China, Brazil, India), corporations, INGOs, southern NGOs, social movements and social entrepreneurs.² The surge in actors involved in development and humanitarian action will intensify in the next decade.³

The Rise of the BRICs | In the last decade, Brazil, Russia, India and China (the BRICs) have begun to transition from aid recipients to aid donors. The BRICs will make up almost half of the world's GDP growth by 2020⁴ and, in the future, these nations may become major donors and influential players in multilateral affairs. Their development investments may look different from traditional aid by northern governments, as can be seen in the role China plays in Africa today. China's aid to Africa, Latin America and Southeast Asia increased from less than \$1 billion in 2002 to an estimated \$25 billion in 2007.⁵ India is now the fifth largest donor to Afghanistan, and India's aid to Africa has grown at a rate of 22 percent over the past ten years.⁶ Brazil's development aid is expected to reach \$4 billion this year.⁷ The ascent of these emerging powers is likely to change traditional donor-recipient identities and relationships.

Changing Shape of the Established Aid System | The dramatic growth of the BRICs, along with the emergence of middle-tier economies such as Indonesia and Turkey, is testing the institutional foundations of the post-World War II order.⁸ The Bretton Woods institutions are likely to undergo significant reform;

¹ This paper was prepared by Laura Kavazanjian and edited by Sherine Jayawickrama.

² <http://www.cgdev.org/content/article/detail/1423520/>

³ <http://www.scenariosforchange.com/wp-content/uploads/2010/04/Kate-Gilmore1.pdf>

⁴ Sweig, J. E. (2010). A new global player: Brazil's far-flung agenda. *Foreign Affairs*, 89 (6) 173-184.

⁵ <http://ipsnews.net/news.asp?idnews=52098>

⁶ http://blogs.cgdev.org/globaldevelopment/2010/10/india-emerges-as-an-aid-donor.php?utm_source=nl_weekly&utm_medium=email&utm_campaign=nl_weekly_10192010

⁷ <http://www.economist.com/node/16592455>

⁸ Patrick, P. (2010). Irresponsible stakeholders? The difficulty of integrating rising powers. *Foreign Affairs*, 89 (6) 44-53.

their governance is likely to become more reflective of contemporary power and influence.⁹ INGOs may be perceived as part of an outdated, northern-dominated world order; their legitimacy and representativeness may increasingly be questioned.¹⁰ Aid donors and countries receiving aid may prefer that aid flow through southern NGOs.¹¹ Although south-south aid and exchanges will increase – and these will likely reflect more solidarity than traditional aid – the power dynamic is likely to be one of stronger players dominating weaker players.¹²

Increasing Influence of Non-State Actors | The increasing influence of non-state actors will be a major trend of the next decade.¹³ Most wars are no longer waged between two sovereign nations on a battlefield, but instead, increasingly among civilians and by non-state actors.¹⁴ Failed states, and failed cities within functioning states, will become more prevalent.¹⁵ In these voids, non-state actors will continue to grow in number and power. These actors are multifaceted, often serving the functions of religious organization, aid organization, political party and paramilitary force;¹⁶ they have strong support bases and challenge the need for services normally provided by governments and development actors.¹⁷

Opportunities and Challenges in Women's Rights | In the past several decades, the number of women in the labor force has increased continuously; that trend is likely to persist.¹⁸ Attention to women's rights as critical to political and economic progress will continue.¹⁹ Islamic women are increasingly involved in the political process (as can be seen in female participation in Islamist movements), and there is potential for a movement on women's rights not built on Western norms.²⁰ At the same time, the rise of conservative and religious fundamentalist forces could lead to the erosion of women's rights in some settings.²¹

Politicization of Foreign Aid | With the rise of non-state actors and transnational threats, governments are increasingly politicizing development and humanitarian aid. This will continue to shrink humanitarian space, especially in countries in conflict. Defense, diplomacy and development strategies have long been used to achieve foreign policy objectives, but increasingly the lines between them are being blurred. Some responsibilities traditionally undertaken by civilian agencies are migrating to the military.²² Civilian government agencies and private contracting agencies (not guided by the principle of independence) might be better implementers of politically-motivated projects.

⁹ The Rockefeller Foundation. *Scenarios for the Future of Technology and International Development*. May 2010. And <http://www.scenariosforchange.com/wp-content/uploads/2010/04/Kumi-Naidoo2.pdf>

¹⁰ <http://www.scenariosforchange.com/wp-content/uploads/2010/04/Kate-Gilmore1.pdf>

¹¹ <http://www.scenariosforchange.com/wp-content/uploads/2010/06/Marc-Dubois.pdf>

¹² <http://www.oxfamblogs.org/fp2p/?p=3887>

¹³ Crawford M. and Miscik J. (2010). The rise of mezzanine rulers: The new frontiers for international law. *Foreign Affairs*, 89 (6) 123-123.

¹⁴ <https://wikis.uit.tufts.edu/confluence/download/attachments/14553628/Walker--Crisis+and+Normality+Two+Sides+of+the+Same+Coin.pdf?version=1>

¹⁵ Hoge, J. F. Jr. (2010). Editor's note: The world ahead. *Foreign Affairs*, 89 (6) i-ii.

¹⁶ Crawford M. and Miscik J. (2010). The rise of mezzanine rulers: The new frontiers for international law. *Foreign Affairs*, 89 (6) 123-123.

¹⁷ <http://www.alertnet.org/db/blogs/65980/2010/08/2-114748-1.htm>

¹⁸ <http://www.laborrights.org/rights-for-working-women>

¹⁹ http://www.state.gov/s/special_rep_afghanistan_pakistan/2010/136250.htm

²⁰ <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=19423&prog=zgp&proj=zme>

²¹ Kerr, J., Sprenger, E., Symington, A., & Cash M. *The future of women's rights: Global visions and strategies*.

²² http://www.cgdev.org/section/topics/aid_effectiveness/defense_and_development

What Do Major Trends Imply for Development and Humanitarian Needs?

The Impact of Climate Change | Climate change will create more extremes of weather and this will result in more crises (and more places where crisis becomes the norm). The human consequences of climate change include reduced access to natural resources, conflict, poverty, food insecurity, heightened mobility and impaired health.²³ Climate change will intensify challenges in all areas of development.²⁴ It will reconfigure patterns of risk and vulnerability and will affect developing countries disproportionately.²⁵

Most of the “Bottom Billion” in Middle-Income Countries | Most of the world’s poorest billion people will reside in middle-income countries like China and India.²⁶ Issues related to inequality will become as important as issues related to poverty. It is estimated that, in 2007, three-quarters of the world’s approximately 1.3 billion poor people lived in middle-income countries, and only about a quarter lived in the 39 low-income countries.²⁷ The majority of the world’s poor will also tend to live in stable states (only 23 percent of the world’s poor now live in fragile states).²⁸

Major Demographic Shifts | Between now and 2025, a billion more people will be added to the global population, primarily in Asia and Africa. Sixty-eight percent of this increase will be in emerging or developing countries; the bulk will be in cities.²⁹ In the coming half century, the world’s population will grow (but at a slower rate); overall, it will be an older population.³⁰ In the next two decades, sub-Saharan Africa, Bangladesh and Pakistan will generate nearly half the growth in the world’s population.³¹ Half the world will experience “fertility implosions,” leading to shortages of working-age populations, with only sub-Saharan Africa producing a surplus of working-age men.³²

Increasing Urbanization | More than half the world’s population now lives in cities.³³ Urbanization is in part an expression of climate-driven migration and has become the dominant feature of human settlement patterns over the past century. With intensifying climate change and continued decline in arable land, urbanization will accelerate in the future. Over the next several decades, the largest urban population increases are expected to occur in coastal areas (particularly in Asia and Africa) most vulnerable to rising sea levels. By 2015, there are expected to be 60 mega-cities in the world, each with a population of ten million or more people.³⁴

²³ Moriniere, L. C. E., Taylor, R., Hamza, M., and Downing, T. (2009). Climate change and its humanitarian impacts. *Stockholm Environment Institute*. Oxford, UK.

²⁴ <http://www.globaldashboard.org/2010/10/12/10-key-issues-for-international-development/>

²⁵ <http://www.cgdev.org/doc/books/Cline%20global%20warming/Chapter%204.pdf> and

http://www.brookings.edu/opinions/2010/1012_climate_change_sierra.aspx

²⁶ <http://www.globaldashboard.org/2010/10/12/10-key-issues-for-international-development/>

²⁷ <http://www.ids.ac.uk/go/idspublication/global-poverty-and-the-new-bottom-billion-three-quarters-of-the-world-s-poor-live-in-middle-income-countries>

²⁸ <http://www.oxfamblogs.org/fp2p/?p=3699>

²⁹ <http://www.globaldashboard.org/2010/10/12/10-key-issues-for-international-development/>

³⁰ <http://www.cgdev.org/content/publications/detail/1424318>

³¹ Eberstadt, N. (2010). The demographic future: What population growth – and decline – means for the global economy. *Foreign Affairs*, 89 (6) 54-64.

³² Hoge, J. F. Jr. (2010). Editor’s note: The world ahead. *Foreign Affairs*, 89 (6) i-ii.

³³ http://www.foreignpolicy.com/articles/2010/10/11/think_again_global_aging?page=0,0

³⁴ Moriniere, L. C. E., Taylor, R., Hamza, M., and Downing, T. (2009). Climate change and its humanitarian impacts. *Stockholm Environment Institute*. Oxford, UK.

Information Technology Revolution | This century will be marked by the continued burgeoning revolution in information technology and globalization.³⁵ The technology revolution can empower both people seeking democracy and repressive tyrants.³⁶ Connection technologies will add to the strains of developing countries, forcing them to become more open and accountable. It will also give governments new tools to constrain opposition and be repressive.³⁷

What Are Potential Opportunities for International NGOs?

New Roles in a New Landscape | With the rise of the BRICs, the influence of traditional donors (such as the U.S.) on development thinking and policy may wane. Since these donors are still significant for many INGOs, this shift will have important implications. In addition, with most of the poorest billion of the global population residing in middle-income countries, INGOs will have to find ways to work productively within those countries in order to tackle poverty.

The Growth in Climate Financing | The response to climate change will provide some new opportunities. Climate finance is potentially a major new source of development finance. For example, global foreign aid (ODA) was worth \$120 billion in 2008, and emissions trading (though still in its infancy) was worth \$64 billion in that same year. If developing countries had emission targets set on an equitable basis, such as equal per capita entitlements, emissions trading could become a larger force for poverty reduction than foreign aid.³⁸

A Surge in Private Development Assistance | International aid flows from private philanthropic sources in industrialized countries to developing countries have increased over the past several years. Private development assistance (PDA) includes private funds that flow through INGOs, foundations, individual philanthropists, corporations, universities, diaspora groups and religious congregations. In 2008, total PDA from fourteen industrialized countries totaled \$49 billion.³⁹ PDA is thought to be on an upward trend, especially in the U.S., where the wave of successful entrepreneurs entering the world of international philanthropy continues.⁴⁰

The Promise of Technology and Social Media | Technologies are shifting the nature of civil society, with web sites replacing physical offices and local groups using free, open-source platforms instead of having to rely on foreign donors.⁴¹ The continued growth of information and communication technologies will transform how NGOs network and build relationships. The rise of new media presents opportunities and challenges: social networking tools provide a good avenue for dissemination of messages, but in order to remain relevant and competitive, organizations must continuously interact with and influence audiences

³⁵ Nye, J. S. Jr. (2010). The future of American power: Dominance and decline in perspective. *Foreign Affairs*, 89 (6) 2-12.

³⁶ Hoge, J. F. Jr. (2010). Editor's note: The world ahead. *Foreign Affairs*, 89 (6) i-ii.

³⁷ Schmidt E. and Cohen J. (2010). The digital disruption: Connectivity and the diffusion of power. *Foreign Affairs*, 89 (6) 75-85.

³⁸ <http://www.globaldashboard.org/2010/10/12/10-key-issues-for-international-development/>

³⁹ Worthington, S and Pipa T. (2010) International NGOs and Foundations: Essential Partners in Creating an Effective Aid Architecture. *Making Development Aid More Effective*, 29.

⁴⁰ Worthington, S and Pipa T. (2010) International NGOs and Foundations: Essential Partners in Creating an Effective Aid Architecture. *Making Development Aid More Effective*, 31.?

⁴¹ Schmidt E. and Cohen J. (2010). The digital disruption: Connectivity and the diffusion of power. *Foreign Affairs*, 89 (6) 75-85.

through such tools.⁴² Technology will continue to offer alternative ways of advancing field programs in health, microfinance and other sectors.

The Imperative to Collaborate | Along with the proliferation of actors and fragmentation of efforts, there has been a surge in collaborative efforts. Issue-based coalitions such as the TckTckTck campaign on climate change, Publish What You Pay and The Global Call to Action Against Poverty (GCAP) are growing in relevance as NGOs and civil society groups seek mechanisms to amplify their voice, coordinate their messages and break through the clutter to have influence. The trend toward increasing collaboration is likely to continue into the future.

A New U.S. Global Development Policy | In advancing its new U.S. global development policy, the Obama administration indicates that it will pay greater attention to the principles of the Paris Declaration on Aid Effectiveness, including country ownership and accountability.⁴³ This means a greater role for recipient states in the development process, since more foreign aid will be channeled through recipient nations' governments and local organizations. The shift in U.S. development policy includes an increased focus on evaluating impact.⁴⁴

What are the Major Implications for U.S.-based INGOs in the Future?

Geographic Focus | Many INGOs have long focused their efforts in rural areas in developing countries, where there no doubt will continue to be significant need. Yet intensifying urbanization and climate-related migration will make addressing *urban poverty* an urgent need. The majority of the poorest billion people will live in *middle-income countries* like China, Brazil and India – and this will make addressing *inequality* an important need.⁴⁵ In order to have significant development impact, INGOs will need to be capable of effectively addressing urban poverty and finding new roles and modes of work in middle-income countries (many middle-income countries do not view poverty within their borders as a matter requiring foreign assistance).

Identity | The paradigm of foreign aid, decreasing in influence as a driver of development, is very much tied to the post-World War II world order, which was dominated by Northern countries. Most INGOs were born in those northern countries and, although they are part of international confederations or federations, they still have strong *Northern identities*. Changing their identity in substantive ways (e.g. by reflecting true Southern representation and power in governance systems) will be important to how INGOs function and are perceived, especially in middle-income countries and low-income countries, and this will influence the roles they can play and the impact they can achieve.

Independence | The principle of independence is one of the critical distinctive features of INGOs, and all INGOs hold that principle dear. Preserving independence in the complex situations in which INGOs work is always rife with dilemmas and tensions. However, the growing politicization of humanitarian and development aid (especially from the U.S. government) and the substantial dependence of many U.S. INGOs on U.S. government funding sets U.S. INGOs on a course to confront the fundamental question of

⁴² <http://www.scenariosforchange.com/wp-content/uploads/2010/06/Jennifer-Windsor.pdf>

⁴³ http://blogs.cgdev.org/global_prosperity_wonkcast/2010/09/27/tempered-optimism-on-new-u-s-development-policy-connie-veillette/

⁴⁴ <http://www.whitehouse.gov/the-press-office/2010/09/22/fact-sheet-us-global-development-policy>

⁴⁵ <http://www.globaldashboard.org/2010/10/12/10-key-issues-for-international-development/> and <http://www.ids.ac.uk/go/idspublication/global-poverty-and-the-new-bottom-billion-three-quarters-of-the-world-s-poor-live-in-middle-income-countries>

whether accepting U.S. government funding compromises INGO independence, especially in areas of armed conflict.

Convergence and Collaboration | Poverty, food insecurity, climate change, conflict, illness, rapid urbanization and disasters will converge to present multiple simultaneous crises. The complexity of these issues and the growing sophistication of INGOs will call for increasing collaboration – with usual and unusual suspects. As NGOs aspire to engage in social change efforts, for example, collaboration with social movements in southern countries will become important. As the impact of climate change on development and humanitarian crisis becomes clear, collaborating systematically with environmental groups will become important.