Championing the nonprofit sector

More resources and a better work ethic, rather than new laws, are needed at its administrative body

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HELAGH Gastrow, an outspoken champion of the nonprofit sector in South Africa and executive director of Inyathelo, which she started 10 years ago to build capacity in the sector, believes that non-governmental organisations (NGOs) are facing the most serious threat to their existence since the apartheid government tried to close them down.

"This threat is in the form of proposed legislation driven by the Department of Social Development, which says it is necessary to provide advice and training to smaller NGOs. As Gastrow points out, this is already the aim of the existing law. The problem is that the nonprofit organisation (NPO) directorate feels that the proposed new law will replace, lacks resources and skills and is inept," says Gastrow.

"More resources, skills and a better work ethic are what is needed rather than changing the current law.

The proposed legislation will empower a new body called the South African Nonprofit Organisations Authority to examine the books, records and activities of NPOs and blacklist those involved in "unscrupulous practices". They can appeal to a tribunal whose rulings will be "binding", according to the policy framework.

"The departmental rotors that affected NGOs can appeal to the Constitutional Court, but this would require money they do not have and put them out of action for a long time, even if they eventually win," says Gastrow.

"This is a real threat to the nonprofit sector," says Gastrow. "The business sector has pumped billions into the nonprofit sector.

She estimates that of about R8 billion a year spent on corporate social investment, 45% goes to the nonprofit sector. Companies would be unlikely to fund an organisation blacklisted by the state.

Ten years ago academics Mark Swilling and Bev Rassell calculated that the NPO sector was bigger in financial terms than the mining sector. There has been no research on the size and scope of the sector since then. Given the significant implications for employment and the economy, it is surprising that government agencies such as the Human Sciences Research Council and Statistics South Africa have not done any work in this area. "I would have thought Stats SA would have done this research, but it's just not a question they're asking," says Gastrow.

Apart from a belligerent government, a lack of research is a major problem facing the sector.

"Most information is anecdotal. The not the lotteries being a case in point. Universities are not researching. It's being left to the NGOs themselves to do the research. These decisions are made by distribution agencies appointed by the government," says Gastrow.

"Nevertheless, that the sector was bigger than the mining sector in 2002 gives some idea of the huge effect it would have on the economy," says Gastrow. "Country, not to mention democracy, if large chunks of the sector were to be deprived of funding because of government action.

Gastrow says the effect on the country will be "catastrophic".

NGOs have been plumbing a huge service delivery hole and, for those impeding them, the government has everyone to thank. They have been saving its bacon and the government has not been slow to take the credit. "I think maybe the government is putting out that it is not funding because it is funding those organisations," says Gastrow.

"Without the work of NGOs, the service delivery crisis is the government is facing in communities across South Africa would be unmanageable. If those organisations can't sustain their services, the lack of service delivery situation will become immeasurably worse," says Gastrow. "Where does this leave the argument that the government is taking control?"

"The government may very well have to keep a good relationship with those NGOs see as having a direct service delivery benefit and support those that are more critical failing. The government must be in a position of giving funding and in a position of being able to give funding and in a position of being able to withdraw funding."

"NGOs are in a terrible danger of failing too, because their government funding continues to be reduced and their applications for money from the lottery fall on deaf ears. "Not enough lottery money is going to NGOs that need it," says Gastrow, the blaming the Department of Trade and Industry. "The problem is not with the [department], which ultimately decides what to give what."}

The minister decides from year to year where the focus will be and it is "just a waste of time for anyone else to apply," says Gastrow.

Applicants are usually told they have no chance of success. "That's an ongoing theme. We've been told we were missing documents, but we copy everything that goes in the envelope, so they receive everything. Why do they do it with nobody knows."

Gastrow, 63, attended the University of Natal in the 1960s, where she was strongly influenced by the thinking of Steve Biko. Rick Turner and Patima Meer, who were there at the same time. Active in anti-apartheid circles, she became a Progressive Federal Party MP Peter Gastrow and worked for the Institute for a Democratic Alternative in South Africa in the early 1990s, taking corporate benefactors to African countries to understand their post-colonial experiences.

She is the author of five editions of Who’s Who in South African Politics?

Ironically, one of the patrons of her institute for the advancement of the nonprofit sector is ANC deputy president Kgalema Motlanthe. Apparently, though, he contributes "not enough money.

VETERAN ACTIVIST: Shelagh Gastrow, executive director of Inyathelo: The South African Institute of Advancement, which aims to build capacity in the nonprofit sector

Picture: ESA ALEXANDER