



Q & A with Don D’Cruz:

An Expert on the international “non-governmental organization” (NGO) movement on the movement’s growing stature and its challenge to the free market

CEI recently interviewed Don D’Cruz, a Research Fellow at Australia’s Institute of Public Affairs (www.ipa.org.au), who is a leading authority on the international NGO movement. D’Cruz holds a B.A. in politics from Monash University and a M.A. in strategic studies from the Australian National University. He is currently completing a Ph.D in communications at the Royal Melbourne Institute of Technology. He has also worked as a political media adviser and as a public relations and political consultant. He has written extensively on NGOs, focusing on their governance, finances, organizational structure, and strategy and tactics.



CEI: How did you become interested in studying the international NGO movement?

Don D’Cruz: About four or five years ago, the Institute of Public Affairs decided to set up a NGO Project to examine the levels of transparency and accountability in the NGO sector, which was about the time that I started working here. I was just instantly fascinated by some of the big NGOs. I had always wondered what happened to the Left after the “End of History.” Well, I found out. They either joined existing NGOs or formed their own.

CEI: In an April 2004 article in *Ethical Corporation* magazine, you note that NGOs’ “lack of transparency lies at the center of their credibility. While many people have heard of NGO brands like Oxfam, Greenpeace, and WWF [World Wildlife Fund], few actually know much about how these organizations operate and perform.” To what do you attribute this problem? What strategies do you suggest to address it?

D’Cruz: These NGOs don’t want to be transparent because they realize that people will become very cynical about them if they come to understand how they operate and how they make

decisions. The pathology of fundraising that runs through these organizations would certainly undermine any notion of altruism that people might hold about them. The strategy to counter this is straightforward: Do research and publish your findings. Focus on the media because the power of these NGOs lies in their ability to generate media. Media is their oxygen, once the media start to question them then they are in trouble.

CEI: Which major international NGOs do you consider the biggest offenders in terms of radical activism, misuse of funds, and lack of transparency?

D’Cruz: I know that many people might immediately think of Greenpeace—and I agree that Greenpeace is just a disgraceful organization—but Oxfam for me is the worst. Generally, if you encounter a radical NGO in the Third World you will find that it has some connection with Oxfam (Oxfam has 3000 “NGO partners” around the world.) And, of course, all of this is generally being done with aid money designated for promoting civil society.

CEI: You speak of NGOs becoming “politicized.” Could you comment on this trend and what, if anything, can be

done about it?

D’Cruz: Naturally many NGOs are political by nature, but when I say “politicized,” I really mean “captured.” This is when NGOs that are essentially fairly neutral and conservative in nature—not conservative in an ideological sense—find themselves traveling down a more radical path after a few new staff appointments. The only thing that can be done if you are a member of one of these organizations is to fight it, or draw attention to what is happening to other members who might not be aware of what is happening.

CEI: As you have noted, Western governments fund international NGOs, many of which have goals that are at odds with those governments’ own policies. How widespread is this problem?

D’Cruz: This problem is endemic. In Australia, I have uncovered numerous examples of aid money being used to fund NGOs who run campaigns against stated government policies. The official Australian aid agency, AusAID, has a track record in not implementing the current government’s policies.

I haven’t had a chance to systematically examine USAID, but from what I can see, there are some serious problems there when it comes to the funding of NGOs, too. For example, USAID is funding Oxfam Australia. I think USAID Administrator Andrew Natsios would be appalled if he knew anything about this group’s history and radical activities. This is a NGO that never saw a Marxist insurgency in the developing world it didn’t like. Also, in Indonesia, most of the NGOs opposed to biotechnology are USAID-funded—which is counterproductive given Mr. Natsios’ principled stand on GM food last year. However, even if the U.S. stopped funding these NGOs tomorrow, European aid donors or even the World Bank would step in to throw even more money at them.



CEI: Today, NGOs are ubiquitous at meetings of international bodies like the United Nations and World Trade Organization (WTO), where they are accorded “consultative” status. What does this status entail? Also, why do international bodies indulge these NGOs by allowing them to disrupt meetings, harass opponents, and, in the case of the WTO, even work against the host organization’s goals? What should be NGOs’ proper role at international meetings?

D’Cruz: Consultative status is all about access and influence. Influence also translates into money. International bodies indulge these groups for a variety of reasons, ranging from a mistaken belief that NGOs represent public opinion to a rather more pathetic and short-sighted belief that they can placate them or reason with them.

As to the proper role of NGOs, it very much depends on the forum. Quite clearly, not all forums should be open to NGOs. Some should have NGO access provided they conform to what my colleague Gary Johns calls NGO Protocols—that is, where they are required to provide information on whom they represent, their expertise, their governance, their funding and a range of other issues. Also, any contributions that they make should be transparent. Simply having an opinion doesn’t necessarily qualify you to sit down at a negotiating table.

CEI: You have described, in several newspaper articles, how the Australian Red Cross came under criticism over its handling of money intended for the victims of the terrorist bombing in Bali. The American Red Cross experienced similar pressure over its handling of 9/11 disaster relief funds, even prompting its president to resign. Do you believe that the international terrorist threat is changing the nature of philanthropy? Given that you call the Red Cross the best-run international aid organization, what does this say about the other organizations? Will the Red Cross’ recent embarrassments lead to calls for greater NGO transparency?

D’Cruz: The controversies involving

the Red Cross in Australia and America brought to life issues of NGO accountability and transparency for the general public. Will this change anything? I think within these organizations it will probably will, because they are good organizations. They will emerge stronger. However, I don’t think much will change in the rest of the NGO sector. The better NGOs will always try to improve themselves

CEI: Could you comment on the growing “corporate social responsibility” (CSR) movement and its adherents’ tactics, such as shareholder resolutions?

D’Cruz: Corporate social responsibility is such an incredibly broad term that it can mean different things to different people. This makes critiquing it quite difficult because at times it sounds like you are attacking motherhood. If CSR

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without prompting and the bad ones will always try to avoid exposure.

What it does tell us is that, if the best organizations sector can fall over so badly, then the NGO sector is far more vulnerable than both its critics and advocates appreciate.

In respect to international terrorism, it is having a profound impact on philanthropy. Suddenly, governments are keeping an eye on where the money is going overseas and have laws in place that make carelessness on the part of funders very dangerous.

CEI: What do you think explains NGO activists’ hostility towards the free market?

D’Cruz: I’m tempted to say ignorance, but, in a word, the reason for this hostility is ideology. Most of the NGO activists we see running around are either Old Left or New Left. The NGO activists’ hostility is less of a reflection on the free market and more a reflection of their own values. In countries like the Philippines, all the old communists went and formed NGOs—and the Philippines is not the only country where this has happened. Overseas, the hostility to the free market is also an expression of anti-Americanism, since the free market is viewed as American.

means looking after customers, treating staff well, operating within the law and maximizing shareholder returns, then I am all for CSR. However, if CSR, as we are increasingly seeing, is all about firms having some vague obligation to “society” as defined by NGOs then consider me a critic.

Companies play the CSR game for a whole host of reasons. Some see it as a way to ward off attacks on their valuable brand names. Others see it as a chance to buy a bit of respectability, while some see it as a way of creating trouble for a competitor. And there are some who see it potentially as a barrier to competition which they can use to their benefit. In this respect, I think CSR is very European and there are probably a good number of European companies who see CSR as a good way of competing against their more dynamic American competitors.

It is important for the free market community to recognize CSR for what it is: a new form of regulation. Companies no longer are required to simply obey the law. If you read the CSR literature, they are required to adopt higher standards of regulation than the law specifies.

To learn more about this “movement” and its strategies, I strongly recommend the book *Biz-War and the Out-of-Power Elites: The Progressive-Left Attack on the Corporation* by George Washington University professor Jarol Manheim.