Funding as an NGO challenge in the context of Sustainable Development: The case study of Bramley Children’s Home, Pretoria

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I dedicate this dissertation to my father, Hendrik Venter, who has always supported my studies.

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KEYWORDS

Corporate Social Investment (CSI); Corporate Social Responsibility (CSR); funding; Non-Government Organisation (NGO); social dimension; sustainable development

ABSTRACT

Non-government organisations (NGOs) are special kinds of organisation which focus on serving the common good in society. Historically they have helped the needy, disadvantaged and vulnerable people and communities. The view that society had of NGOs has changed: they are no longer seen as charity and welfare organisations but as valuable partners in the context of sustainable development. Although many different non-profit organisations exist, all strive towards development, betterment and upliftment. These organisations are dependent on funding, yet need to be sustainable, which creates the challenge of obtaining funding in order to render services.

This research explored the current funding context, using Bramley’s Children’s Home as a case study, in order to identify the challenges experienced by NGOs in obtaining adequate funding. It also investigated the perceptions of management regarding the impact of these challenges on the sustainability of the organisation. The research findings indicate that funding is seen as a common dilemma in this sector, and that there is a lack of sufficient long-term investment from donors. The effect is that NGOs struggle to implement much-needed services and therefore improving services in order to address the constantly changing needs of people remains a challenge.

Emphasis has been placed on the importance of collaboration between the NGO sector, the business sector and government. By establishing partnerships each sector can benefit when contributing to sustainable development and can possibly also address the challenge of funding within NGOs.
This research strives to showcase the important role of NGOs within the context of sustainable development, with specific reference to Bramley Children’s Home in addressing the social problem of caring for and protecting vulnerable children.
CHAPTER 1: INTRODUCTION, ORIENTATION AND METHODOLOGY

1.1 INTRODUCTION

For decades, churches, civil groups and social movements were the institutions that helped the needy, the disadvantaged and vulnerable people in society. These institutions were the earliest form of human-centred organisations before governments existed, and they were dependent on donations for service delivery (Korten, 1991:21). According to Segerlund (2005:31) these institutions, including non-governmental organisations (NGOs), became noticeable in the early 1970s. They were involved in charitable work that aimed at addressing and expressing needs. These complex and increasing human needs were due to poverty, environmental failure and social violence, which the government was unable to counteract (Korten, 1990:6).

The important role of NGOs is confirmed by Cleary (1997), cited in Lekorwe and Mpabanga (2007:3), in that it is widely accepted that NGOs “pursue activities to relieve the suffering, promote the interests of the poor, protect the environment, provide basic social services and undertake community development”. The challenge in delivering these services is mainly insufficient funding. These NGOs are still dependent on funds and donations, as they were decades ago, and insufficient funds limit and affect the quality of service delivery and threaten the survival of these organisations. NGOs also play an important role within the context of sustainable development which will now be explained.

The concept of sustainable development emerged in the 1980s (United Nations Industrial Development Organisation (UNIDO), 1998:3) due to fundamental, large-scale, rapid and complex social changes which had far-reaching consequences, especially during industrialisation and globalisation. Sustainable development has taken the lead internationally, establishing policies and frameworks based on the so-called Rio principles (Drexlhage & Murphy, 2010), Agenda 21, the Habitat Agenda and the Earth Charter (Sustainable Settlement in South Africa, 2000).
Numerous world summits have taken place to promote sustainable development, for example in Johannesburg, 2002 (Education and Training Unit, 2007), the Kyoto Protocol (United Nations, 1998), and the Millennium Development Goals aimed at reducing poverty, saving the planet and improving lives (Education and Training Unit, 2007).

Sustainable development is defined in the report of the World Commission on Environment and Development (WCED) (Bruntland, 1987:43–44) as: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. According to the Bruntland Report (1987), cited in UNIDO (1998:4), this definition has three dimensions namely the economic, environmental and social dimensions.

These three dimensions are also referred to as pillars, spheres and systems, and they reflect the interdependence between the economic system, the biophysical (environmental) system and the social system. The ultimate purpose of sustainable development is to meet the “triple bottom line”. This suggests that all three of these spheres interact on an equal basis, suggesting the continued existence of people and resources (Du Plessis & Landman, 2002:9). Thus NGOs focusing on the welfare and wellbeing of people mainly act within the social dimension or system, which contributes to the sustainable development of people and communities.

The transformation of service delivery in South Africa stems from the democratisation of the country in 1994, when the newly elected government pledged a better life for citizens, especially in the historically disadvantaged sectors of society (Van der Waldt, 2004:84). Legislation, policies and frameworks have been developed in order to establish transformation. Section 152 of the Constitution of South Africa (1996), for example, instructs that local governments are to ensure sustainable provision of services to communities and to promote social and economic development. Section 195 of the Constitution states that public administration has to be governed by a number of principles. These principles include being development-orientated and that services are to be rendered impartially, fairly, equitably and without bias. The people’s needs must be considered and the community encouraged to participate in policy making.
The government and the public sector therefore have to act in the best interests of society. The White Paper for Social Welfare (South Africa 1997) was published as a policy framework to enhance social development, social justice and social functioning by addressing social problems in a sustainable manner. After South Africa’s political transition to a democratic state, the economic transition is still under way as many inequalities, high unemployment and poverty remain.

In working towards the triple bottom line of sustainable development, and taking the limitations of governments in developing countries into consideration, the economic dimension received more attention because it could contribute to developing the social and environmental dimensions by providing resources. Vernis et al. (2006:24) believe that the government’s expectations of private-sector commitment to social development started to grow as governments could not address these needs alone. In this regard O’Brien (2001:3) states that many governments require large companies to conduct business in a way that contributes to social and economic development. The result was a shift from “giving” to “investing” within the context of sustainable development, introducing corporate social responsibility (CSR) and corporate social investment (CSI).

This shift implies that companies had to invest in NGOs by providing long-term funds for service delivery. Rollin (2011:1) writes that corporate social responsibility in South Africa has increased during the last ten years in response to the social and economic developmental needs of the country’s citizens, and that this has brought about a remarkable change. However, the Eastern Cape NGO coalition (ECNGOC) writes that many NGOs failed to survive because of insufficient funding and that this is regarded as a looming crisis in South Africa (Velaphi, 2012).

The conclusion can be drawn that the overall attitude to NGOs has changed and that their relevance and importance to society have been acknowledged. This conclusion is confirmed by Vernis et al. (2006) cited in Arenas et al. (2009:180). Although a shift has been made from philanthropy to investment, with a positive impact on the developmental needs in South Africa, there is reason to believe that funding remains a challenge for NGOs.
This is confirmed by the Coalition on Civil Society Resource Mobilisation (2012:99): “[T]here is no doubt that the South African civil society sector is facing a funding crisis”.

This research therefore focuses on exploring funding challenges pertaining to the Bramley Children’s Home, and investigating the effect of inadequate funding on the sustainability of the home.

1.2 PROBLEM STATEMENT

The constantly changing needs of people are a challenge, not only in South Africa but worldwide. The importance of NGOs in the current crisis is explained by Vernis et al. (2006:68). The state does not have sufficient resources to respond to all needs, and is unable to honour its standing commitments to modern societies. Vernis et al. (2006:46) believe that “[T]he state is still perceived as necessary but it has ceased to be viewed as the foremost driver in economic and social transformation”. The reason for turning to non-profit organisations is that they undertake roles that neither the state nor the market can perform (Bresser, 1997:43, cited in Vernis et al., 2006:47).

Apart from bridging the gap between society’s needs and the government’s provision, Swart and Venter (in Coetzee et al., 2001:483) state that NGOs are often seen as the main initiators of development and development projects. This view reinforces their role in the context of sustainable development. Thomas (1992, cited in Lekorwe & Mpabanga, 2007:5) writes that NGOs act as the initiators of development activities and therefore serve as agents of advocacy and policy. They fill the gaps left by the public service, which is now regarded as an enabler rather than a service provider. It is clear that the overall attitude to non-profit organisations has changed, and that their importance for society’s wellbeing has been acknowledged (Vernis et al., 2006:24).

Insufficient funds is a common dilemma, whether in the public sector or among NGOs. This is the opinion of Vernis et al. (2006:59), who state that financial dependence will be a fairly constant feature.
The NGOs are becoming more dependent on public funding, and if the public agencies (i.e. organisations like United States Agency of International Development (USAID) which are supported by public funds to serve the community) were to withdraw their funding, non-profit organisations would be seriously affected (Vernis et al., 2006:57). They would have to scale down the quality of their services or programme activities. Two recent examples are the development programme of the Swedish government (SIDA) in South Africa, which terminated at the end of December 2013, and a recent announcement that the United Kingdom’s bilateral development programmes in South Africa will come to an end in 2015.

Viravaidya and Hayssen (2001:1) point out the fact that managers of NGOs have to spend just as much time finding funds as using the funds. These authors state that “unlimited needs chasing limited resources are a fundamental fact of economic life in rich countries and in poor countries”. This reality promises serious consequences:

**Firstly**, NGOs do not receive sufficient money from grants and donations to fund their current programmes, nor can they expand their programmes to address the unlimited needs of people.

**Secondly**, as stated by Vernis et al. (2006:69), the new institutional and financial environments in which private organisations operate drive the non-profit organisations to compete for resources, and instead of forming joint ventures, these organisations have come to regard each other as threats. NGO managers are left to find ways to increase their financial security without sacrificing the mission of their organisations (Viravaidya & Hayssen, 2001:2). As stated by Vernis et al. (2006:23), “the efficient utilization of available resources constitutes a strategic driver for non-profit organizations”.

According to Viravaidya and Hayssen (2001:2), NGOs have three options for funding: **firstly** to strive to become completely independent from donors, **secondly** to self-generate funds to cover their overhead costs, and **thirdly** to keep relying on grants and donations.
NGOs generally experience the following funding challenges (Viravaidya & Hayssen, 2001:1–2):

- Grants and donations are inadequate to meet current programme needs. NGOs therefore cannot expand their programme activities to address the growing number of vulnerable groups.
- Dependence on grants and donations dictates the scope and direction of programme activities.
- Most grants and donations include coverage restrictions (e.g. specific programmes) and make no provision for overhead costs.
- Future funds from current donors are uncertain (e.g. will they continue to fund the specific NGO or decide to fund another cause?).

According to Viravaidya and Hayssen (2001:2), the above problems prevent NGOs, and those whom they serve, from reaching their full potential. Moreover, their very survival is at risk at the same time. Adequate funding is required to conduct and sustain projects and to deliver services. Many NGOs in civil society have closed down or are on the brink of collapsing due to lack of funding (Velaphi, 2012). Without adequate funding and investment, social welfare organisations cannot survive and cannot contribute to the social dimension in the context of sustainable development.

Against this background, the following questions guided the research:

1. Which theory underpins NGOs and their role in the context of sustainable development?
2. Which funding issues are associated with the NGO sector?
3. What are the funding challenges facing the Bramley Children’s Home?
4. How does management perceive the impact of these funding challenges on the home’s sustainability?
5. How does inadequate funding contribute to the social dimension in the context of sustainable development?
6. What are the conclusions and recommendations pertaining to funding issues and their impact on sustainability?
7. How does this impact affect the contribution of the Home to sustainability?
1.3 RESEARCH OBJECTIVES

1.3.1 General objective

This research aims to explore the current funding context of NGOs, using the Bramley Children’s Home as a case study, to identify challenges in obtaining adequate funding. The research also investigates the perceptions of the Home’s management team about the impact of these challenges on the sustainability of the children’s home.

1.3.2 Specific objectives

The research addresses the following specific objectives:
1. Describe the role of NGOs in terms of sustainable development.
2. Describe funding issues in the NGO sector.
3. Identify funding issues pertaining to Bramley Children’s Home and how its management perceives these issues.
4. Submit recommendations and formulate conclusions about funding challenges in the NGO sector, and the impact thereof on sustainability.

1.4 CENTRAL THEORETICAL ARGUMENT

As in many other developing countries, the South African government is unable to respond appropriately to current social needs. According to Turull and Negre (2002), cited in Vernis et al. (2006:67), this inability explains the extensive array of organisations that attempt to address specific social issues.

McKinley (2004:2) states that ten years after the 2004 election, the government still faces the same dilemma as in 1994, namely how to address the current and changing needs of people. The rapidly changing and increasing needs of society are due to industrialisation and modernisation. Coetzee (2001:27) describes modernisation as the transformation of a traditional society advancing through new technology to modernity.
Coetzee (2001:28) believes that this transition process includes political, social and economic aspects. This view confirms the essential role of NGOs in rendering welfare services to promote the wellbeing of society.

The problem of inadequate funding for service delivery by NGOs may also be explained from a neo-liberalist perspective. Neo-liberalism advocates that the general good can be promoted by a free market and open competition, limiting state intervention and welfare (Haque, 1999:203). Neo-liberalism therefore assumes that maximising the market will encourage people to self-actualise in terms of wealth and not remain dependent on the state and welfare to address their developmental needs. This perspective explains the lack of funding for social welfare organisations, because the focus remains on wealth production and does not recognise state intervention as a way to address social needs.

1.5 RESEARCH METHODOLOGY

Research is about obtaining scientific knowledge by using objective methods and procedures. The logic and explanation behind the chosen methods and procedures are known as the research methodology (Welman et al., 2005:2). De Vos et al. (2005:73) identify two well-known approaches to research, namely quantitative and qualitative. The difference between the two approaches is that qualitative research is about understanding the meaning of a phenomenon in the social world and is descriptive in nature. On the other hand, quantitative research is useful in hypothesis testing, predicting or controlling human behaviour.

This research followed primarily the qualitative approach and obtained in-depth information to answer the research questions. Two procedures were followed, namely the historical procedure (a literature review, see 1.5.1.1) and the survey procedure (see 1.5.1.2) in a case study context.


1.5.1 Research procedures

1.5.1.1 Historical procedure

The historical procedure encompasses a review of the literature that deals with the funding of NGOs and the consequent impact on sustainable development. Welman et al. (2005:49) state that a literature review aims to develop insight into a research topic and forms the background for the investigation.

The literature that was reviewed included journal articles, books, government reports (e.g. policies, guidelines and frameworks), and the proceedings of national and international summit meetings and conferences on NGO funding in South Africa as well as globally. Newsletters, annual reports, business plans and other relevant documents were reviewed to gain an understanding of current funding for the Bramley Children’s Home.

1.5.1.2 Survey procedure

De Vos et al. (2005:419) describe a survey as a formal procedure that may be used in qualitative research. A survey includes interviews, focus groups, community forums and workshops. Questionnaires are commonly used in the quantitative approach to research. For this research, a questionnaire was used as an interview guideline, but as indicated above the research primarily entails qualitative data.

1.5.1.2.1 Data collection

This qualitative research approach includes the gathering of secondary and primary data. Secondary data are collected from secondary sources (i.e. existing information about a phenomenon); primary data are first-hand information (e.g. attitudes, perspectives or opinions about a phenomenon) (Kumar, 2005:118–119). The secondary data in this study was collected from a literature review (1.5.1.1) and the primary data was collected by using a questionnaire as an interview guide, for semi-structured interviews in a qualitative way.
According to Kumar (2005:123), all person-to-person interaction with a specific purpose in mind may be referred to as an interview. De Vos et al. (2005:296), write that this method is used to gain detailed information on a particular topic. Semi-structured interviews were used to gain detailed information on the impact of inadequate funding, in this case on the Bramley Children’s Home. A predetermined set of questions in the form of a questionnaire guided the interview into relevant avenues to obtain information.

The qualitative paradigm is also extended to a case study (see 1.5.2).

1.5.1.2.2 Sampling

Fox and Bayat (2007:52) describe a population as a group of individuals, events or objects that share a common characteristic that represents the sum total for a study.

Sampling refers to selecting participants as a representative subset of the research population, as it would be impractical to include the entire population (Gill & Johnson, 2010:127). The sample for this study included three managers of Bramley Children’s Home. They are the managers who deal directly with funding of the Children’s home and consist of the necessary knowledge and experience regarding funding and funding challenges. They identified the funding challenges they face as an organisation and described their perceptions of the impact of funding issues on sustainable development. A purposive, non-probability sampling technique was thus used in this study (Fox & Bayat, 2007:60–61).

1.5.2 Case studies

Kumar (2005:113) states that a case can be a person, group, episode, process, community, society or some other unit of social life. Kumar (2205:113) also believes that the case study method is “an approach to studying a social phenomenon through a thorough analysis of an individual case”. Stake (1995), cited in Schurink and Auriacombe (2010:438), writes that a social phenomenon can be understood in its wider context because it enables the researcher to present the complexity and
1.5.3 Data analysis

An appropriate procedure must be selected to analyse the data that is collected (Fox & Bayat, 2007:104). Every research study produces findings and analysis of the collected data and ensures order, structure and meaning (De Vos et al., 2005:333).

**Qualitative data analysis** categorises themes in the collected data and produces general statements about relationships between the data categories (De Vos et al., 2005:333).

De Vos *et al.* (2005:217) describe **quantitative data analysis** as a more structured process that uses percentages and frequency counts to establish relationships and to describe the data.

The data collected from the questionnaires and semi-structured interviews was interpreted and relevant funding challenges were identified by the researcher, who thereafter summarised perceptions of the impact of these funding challenges on sustainable development.
1.5.4 Ethical considerations

Garner et al. (2009:98–99) write that the ethical dimension is an integral and foundational part of the research process. All research should be assessed within a framework of potential risk regarding the participants as well as the researchers. No research study should pose a danger or cause harm, either in the process or the publication of a report. Clough and Nutbrown (2007:96) state that research should “protect” the interests of the participants.

Research ethics are considered as a high priority by the North-West University (NWU) and, have a Research Ethics Committee which serves as a gatekeeper of ethical considerations in research. Before post-graduate students can commence with their research projects, a Research Ethics Application Form needs to be completed and submitted. The nature of the form will communicate the scope of the research and to what extent ethical considerations should be taken into consideration. After the research project has been approved by the Research Ethics Committee of the NWU, the research can commence. This process ensures the ethical manner in which the proposed research will be conducted.

The following ethical aspects were considered in the course of this study:

1.5.4.1 Informed consent

Informed consent was obtained from the participants that sufficient information about the research may be published. The objectives, expectations and the investigation process itself were explained to them so that they understood the nature and context of the study. As stated by Garner et al. (2009:97), the researcher has to ensure that every participant is competent to provide his or her informed consent and is fully informed about the purpose of the study.
1.5.4.2 Confidentiality and anonymity

The researcher must ensure that the participants' identity is never disclosed and that responses cannot be linked to individuals; Garner et al. (2009:96) indicate that this is an important aspect.

1.5.4.3 Voluntary participation

Participants must be informed that participation is voluntary and that they can withdraw their participation at any time (Welman et al., 2005:181). All participants participated voluntarily and no participants withdrew from the study.

1.5.4.4 Release or publication of the findings

The findings of a research study must be interpreted honestly and reflect the participants' responses (Clough & Nutbrown, 2007:95). The research findings were analysed as accurately and objectively as possible, and are presented in a clear and constructive manner.

1.6 CHAPTER LAYOUT

Chapter 1: Introduction, orientation and methodology

Chapter 2: NGO’s and sustainable development

Chapter 3: Funding challenges in Bramley Children’s home within the context of sustainable development

Chapter 4: Conclusion and recommendations
CHAPTER 2: NGOs AND SUSTAINABLE DEVELOPMENT

2.1 INTRODUCTION

Poverty and underdevelopment are apparent in humankind all over the world. McKinley (2004:143) states that throughout history human beings have been affected by the devastation of poverty, inequality and underdevelopment. Originally, disadvantaged, vulnerable and needy people were assisted by institutions such as churches, civil groups and social movements. Before governments existed, these institutions helped the vulnerable people in communities, but as these institutions were dependent on donations from the community members, service delivery was limited to addressing the basic needs of people (Korten, 1991). After the two World Wars a Western consciousness about international responsibility was created, with the establishment of many organisations in the northern hemisphere as a result (Van Rooy, 2001:21). An example is the Marshall Plan for Europe; later the Colombo Plan to Assist South and Southeast Asia was implemented in 1950. These strategies involved technical assistance, food and security aid as well as economic assistance (Van Rooy, 2001:21). The goal of these interventions was to get the regions on their feet by building markets, establishing industry and deterring communism. During this time many NGOs were also established in response to the growing demands of developing countries, which included the growing concern over apartheid in South Africa (Van Rooy, 2001:21).

From 1960–1970 new needs arose from emerging democracies or countries in transition, with the NGO sector changing course to address these needs as large amounts of cash were made available to East and Central Europe (Van Rooy, 2001:24). NGOs became more noticeable during the 1980s, according to Korten (1990:6); the reason was that the leadership to address underlying causes of human tragedy was not provided by government, and therefore the ability of NGOs was acknowledged as they provided services that many governments were unable to provide.
From the 1990s the NGO sector broadened its spectrum of interventions from the previous focus on poverty, food and security and economic infrastructure to encompass inequality, social justice, environmental perseverance and development. During the 1990s there was an increase in NGO activism and engagement with corporations on issues such as child labour, human rights, oil pollution, tropical deforestation, sustainability in the extractive industry, and environmental perseverance (Arenas et al., 2009:175). Arenas et al. (2009:176) state further that business-NGO relations were mostly confrontational, with the result that many corporations changed their policies and strategies because of social and political pressure. In this regard, Vernis et al. (2006:1) state that international studies from the 1990s show the growth of the non-profit sector in terms of the growing number of establishing organisations focusing on relief and development, employing staff and capacity building, more effective management and strategic planning. Later, business-NGO relations changed to collaboration in establishing partnerships to promote social and environmental actions (Arenas et al., 2009:176).

In the 21st century the non-profit sector has made significant progress in terms of human resource management, fundraising, communications and financial management and is of the opinion that it must focus on accountability, transparency and sufficient reporting to supporters (Vernis et al., 2006:15). This has created trust within society, which is confirmed by Vernis et al. (2006:15) who state that a gradual change in many democratic countries is the involvement of citizens in NGOs and social movements. This implies that citizens have become more aware of their need to be co-responsible for their own welfare and that of society; thus each citizen accounts for a share of the solution and the effort required. In this regard Eade and Ligteringen, in Eade and Ligteringen (2001:11), state “the hope that ordinary people could, by invoking their right to share in the full benefits of development, shake off the legacies of inequality and injustice has been a vital source of inspiration to the NGO movement worldwide”.

Thus, NGOs have become a vital source of community empowerment and mobilisation, inspiring responsibility and accountability which reinforce the important role of NGOs in society.
This is confirmed by Tandon (1994:44), who states that the presence of NGOs as actors in the development landscape today is evident and therefore they are visible, noticed and acknowledged.

After this broad introduction to NGOs, specifically referring to human upliftment, the term “NGO” is now more explicitly defined.

### 2.2 DEFINING NGOs

“Non-governmental organisations” has a broad application in South Africa and as indicated by Abugre (1994:121) the term applies to a complex web of civil organisations ranging from neighbourhood structures to sophisticated national networks, sub-networks and alliances, service and research organisations.

Dereje (2011:14) explains an NGO as “a value driven, formal, independently organised and administered body with the major objective of providing immediate human needs in times of disaster, famine or any natural calamities on the one hand, while it endeavours to improve social, economic and political conditions of disadvantaged people on the other”.

The delivery of public services to the public is facilitated and implemented by public officials in state institutions, churches and not-for-profit organisations. According to Lekorwe and Mpabanga (2007:3), no clear definition of an NGO exists, but they support the explanation of Cleary (1997) who states that it is widely accepted that NGOs “pursue activities to relieve the suffering, promote interest of the poor, protect the environment, provide basic social services and undertake community development”.

Having defined the term “NGO”, an explanation of how NGOs were established in South Africa follows.
2.3 NGOs IN SOUTH AFRICA

According to Patel (2005:1) the apartheid welfare system was ineffective in addressing mass poverty and inequality and in meeting the basic needs of people, as it was inherited from colonialism which represented inequality, discrimination and inappropriate and unsustainable methods of service delivery. Industrialisation and urbanisation resulted in large-scale poverty, housing and health problems, which were addressed through institutional care by religious organisations focusing only on the white population (Patel, 2005:68). On the contrary, welfare for black workers was non-existent as it was assumed that their needs would be met by the subsistence economy of the “reserves” (Patel, 2005:67). These are described by Walker (1991:6) as the fragments of land set aside for African ownership; those living there had to rely on natural resources to provide their basic needs such as hunting and gathering, thus supporting themselves at a minimum level. Against this background, Patel (2005:71) is of the opinion that the needs of black welfare were neglected during the apartheid era. Patel (2005:79) states further that voluntary social welfare activities by community groups were established independently of political and trade union organisations to address the needs of the disadvantaged. After the national democratic elections in 1994, a new approach suited to the demands of the global era was adopted by the newly elected government, which was expected to implement it.

The purpose of government, according to Havenga (2002:50), is twofold: namely the administrative purpose of supplying goods and services, and that of involving citizens when determining public needs. This statement is in line with Section 152 of the Constitution, which states that the objectives of local government are to ensure the provision of services to communities in a sustainable manner and to promote social and economic development. The Constitution furthermore emphasises the power and authority that government has to implement these objectives. The public sector plays an essential role in rendering services that will meet the needs of people.
The public sector is defined by Singh (2004:27) as “a hybrid of central departments, state and local authorities, semi-autonomous agencies and state-owned enterprises”. Further explained, the public sector is a sector of the economy that is owned, financed, controlled and monitored by the government to ensure the fulfilment of the role of the state (Singh, 2004:28). In this research study, “public sector” refers to the government and the NGO sector. Thus, by working together, the public sector and NGO sector must act in the best interests of society.

The Voluntary Independent Code for Non-profit Organisations in South Africa (2012) states it is not clear how many non-profit organisations operate in South Africa but that there might be as many as 150 000, depending on how the term “non-profit organisations” is defined. According to the Voluntary Independent Code for Non-profit Organisations in South Africa (2012), 85 000 of these organisations have an NPO number which indicates their formal registration with the NPO Directorate in the Department of Social Development. The National Welfare Social Service and Development Forum (NWF) (2012:4) implemented a research study in 2012 regarding NGOs in South Africa and found that NGOs operate in all nine provinces, but that most of them are based in the Western Cape (28.8%), Gauteng (28.6%), and KwaZulu-Natal (16.1%) (NWF, 2012:6). The study further indicated that two-thirds of the services that NGOs provide are targeted at children (65.6%) and over 40% are targeted at vulnerable youth, families and people affected by HIV/Aids/STIs/TB (NWF, 2012:8). The beneficiaries receiving services from these NGOs are based in urban (33.9%), peri-urban (28.8%) and rural areas (27.4%) (NWF, 2012:6). In terms of funding¹, the study found that 64% of NGOs receive an in-kind contribution of some sort, 63% of NGOs receive individual donations, 51% of NGOs receive funding from corporate social responsibility initiatives and businesses and 41% of NGOs access funding from international donors (NWF, 2012:13).

As stated above, NGOs provide a valuable service nationwide with the assistance of government and corporate organisations; however there are still many areas in need of service that have little support, which brings the research study to the important role that NGOs play in communities.

¹ These percentages are of course not mutually exclusive.
Many different kinds of NGOs exist which attempt to address social, political, economic and/or environmental issues. This is confirmed by Vernis et al. (2009:179), who state that many organisations are grouped under umbrella terms such as NGOs, non-profit organisations, civil society organisations and the third sector. Therefore Vernis et al. (2009:179) make a distinction between two types of NGO, namely “Social purpose NGOs” and “Club NGOs”.

Social purpose NGOs include environmental groups, human rights organisations or organisations that fight against poverty and underdevelopment, while Club NGOs include membership organisations that defend the interests of members such as trade unions (Vernis et al., 2009:179). NGOs that work in local communities with poor infrastructure such as in sub-Saharan Africa to develop skills for socio-economic growth and development can be identified as social purpose NGOs. Many NGOs working in local communities offer a range of services assisting people to access health, education, food security and shelter. In order to address issues such as social justice and equality, many NGOs assist victims of human rights violations and provide a voice for vulnerable groups to be heard; the community becomes a member of these groupings, and they are classified as Club NGOs. According to Abugre (1994:123), NGOs’ functions can be categorised into three groups, namely: enabling communities to make claims on the state; training and research; and relief and development. Thus, a third type of NGO (apart from “social purpose” and “club”) can be added, namely those that focus on training and research. From these types of NGO it is clear that the role of all NGOs boils down to empowerment in order to bring about change for upliftment.

The primary difference between organisations in general and NGOs is that the latter do not strive for individual profit or advance self-interest; instead they serve the common good and promote public benefit (Voluntary Independent Code for Non-profit Organisations in South Africa, 2012). Non-profit organisations require the necessary capabilities to face the challenges of a rapidly changing society in order to continue to improve the lives of the people; thus “these organisations must be capable of truly leading and remodelling the complex world of social intervention”
In this regard, Van der Waldt and Knipe (2005:177) state that change forces public and private institutions to adapt their activities and management processes and therefore new management processes should be explored to address modern issues and challenges. Work performed in organisations usually involves projects and operations; although differences exist, these two entities can also overlap as both are performed by people, constrained by limited resources and planned, executed and controlled by management (Smith, 2002:5). The goal of addressing change is to establish development that will contribute to the socio-economic wellbeing of societies.

Abugre (1994:122) states that NGOs have “fought for democracy, equal opportunities, a better life and against racial and other oppression, inequality, dispossession and degradation of their natural resources”. Therefore NGOs are contracted by national and international governments and organisations to bring about “development” in poor and developing countries (Dereje, 2011:29). This confirms the trust and confidence in NGO intervention and in this regard, Bennett (1995), cited in Dereje (2011:15), states that during the 1980s and 1990s, in Europe between $9 to 10 billion was granted to NGOs annually to reach about 250 million people, an amount that was greater than the United Nations’ budget.

Lastly, Dereje (2011:13) identifies important traits of NGOs that contribute to clarifying their role:

- **Voluntarism** – NGOs are established on a free-will basis to promote the common good for the public.
- **Independent** – NGOs do not belong to any political party but take part in political activism or state affairs.
- **Not-for-profit** – NGOs are not involved in profit-making.
- **Humanitarian** – NGOs provide immediate physiological assistance and advocate human rights.

As stated above, the role of NGOs is to bring about change through development which will contribute to the socio-economic wellbeing of societies.
Development in this context refers to a process of improvement, which is discussed in more detail below.

2.5 SUSTAINABLE DEVELOPMENT

Before addressing the very important concept of sustainable development (SD), it is deemed appropriate for background orientation to first define the concepts “development” and “social development” briefly.

The International Broadcast Institute (1973), as cited in Moemeka (1989:3), defines development as “the improvement of the wellbeing of the individual and the betterment of the equality of his or her life”. In this definition, improvement and betterment are synonyms for development, which indicates that through development one moves from an existing situation to a more desired situation. This process is often referred to as “transformation” within the context of development and is further explained by Haqqani (2003) – as cited in Nag (2011:3) – as “a multi-dimensional exercise that seeks to transform society by addressing the entire complex of interwoven strands, living impulses, which are part of an organic world”.

According to Bogopa (2005:109), social development’s distinctive feature is its attempt to link and integrate social and economic processes, as both elements form part of a dynamic process of development. Bogopa (2005:109) states further that social development cannot take place without economic development, and economic development seems to be meaningless without improvements in the social welfare of populations. Thus, a direct link exists between social and economic development. In order to explain social development further, Bogopa (2005:109) identifies its goals, namely “the achievement of a process of personal growth and actualization, social justice and peace, human rights, political participation and social integration in social development, cultural rights, and respect for the beliefs of others”.
2.5.1 Defining sustainable development

According to Trzyna (1995:16), cited in McKinley (2004:77), the complexity of sustainable development is that it is not a precise goal but a criterion to measure attitudes and practices.

McKinley (2004:44) is of the opinion that sustainable development involves addressing economic vitality, social equity and environmental protection comprehensively. McKinley (2004:44) states further that a part of sustainable development is to find a common vision of how people would like their future to be. Cole’s view (1994:4) adds to the aforementioned futuristic notion: “development implies that people change their social behaviour to make it compatible with higher levels of social productivity”.

Sustainable development is described by Du Plessis and Landman (2002:9) as development that must be pursued to achieve the state of sustainability. Development generally entails growth, expansion and modifications, but Du Plessis and Landman (2002:10) indicate that development within the context of sustainability also refers to processes such as improvement and evolution. Thus, the world is changing as a result of growing needs and therefore intervention is needed to preserve resources to sustain the optimal functioning of society. This is not a simple task; McKinley (2004:43) is of the opinion that sustainable development is jeopardised by global problems such as poverty, environmental degradation, climate change, population growth and ethnic fragmentation, to mention a few.

The most common definition of sustainable development is given in the report of the World Commission on Environment and Development (Brundtland, 1987:43), namely “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. In this regard Du Plessis and Landman (2002:9) define sustainable development as “the condition or state that would allow the continued existence of Homosapiens, and it is the goal we would like
to achieve”. Thus the above-mentioned definitions of sustainable development focus on preservation for the future.

Du Plessis and Landman (2002:9) state further that sustaining the state for continued existence requires the needs of humans to be balanced against the planet’s capacity and this capacity to be protected for future generations. Therefore sustainable development can be described as “[meeting] the basic needs of people today without ruining the chances of future generations being able to do the same” (Education and Training Unit, 2007).

Abugre (1994:125) describes sustainable development as a complex interaction between three environments, systems or dimensions, namely the socio-political, the economic and the ecological, and at the centre of these interactions is humankind. These three dimensions are confirmed by the Brundtland Commission in 1987 as cited in UNIDO (1998:4): the Commission states that sustainable development entails three dimensions, namely environmental, economic and social. Abugre (1994:125) further explains that the essence of sustainable development is keeping a balance between these environments in order for human progress to be secured without damaging the prospects of a better life for future generations (also see 2.5.3).

According to the researcher, the three systems have two roles: being conditionalities for sustainable development and being limitations imposed on human actions or inactions. Thus, three systems are needed for sustainable development, and sustainability cannot be achieved without each of the three systems; at the same time the systems indicate resource usage and what needs to be done in order to prevent future generations suffering from lack of resources (these dimensions or systems are discussed in more detail in 2.5.3).

2.5.2 Conceptualising sustainable development within the developing world

The concept of sustainable development emerged in the 1980s due to demands for economic growth and the protection of the environment (UNIDO, 1998:3).
Since then, the phenomena of sustainability and sustainable development have evolved at national and international level.

In 1992 the world’s largest environmental meeting with the largest gathering of political leaders, the United Nations Conference on Environment and Development (UNCED) – also known as the Earth Summit – was held in Rio de Janeiro (De Jongh & Captain, 1999:252).

International cooperation on sustainable development was facilitated by developing international agendas such as Agenda 21, the Habitat Agenda and the Earth Charter, which recognise the urgent need to act on sustainability in all spheres (Sustainable Settlement in South Africa, 2000). The World Summit on Sustainable Development, held in Johannesburg in 2002, aimed at sustaining the planet’s resources and development to address poverty and unemployment (Education and Training Unit, 2007). After that numerous “sustainable summits” were held regularly all over the world, such as the United Nations Conference on Sustainable Development, also known as Rio 2012, hosted by Brazil in Rio de Janeiro as a 20-year follow up to UNCED (Leggett & Carter, 2012:1). A National Strategy for a Sustainable America was developed from the 1992 Earth Summit in Rio de Janeiro and then again during the World Summit on Sustainable Development in Johannesburg in 2002, and continues to be revised (National Sustainable Development Strategy, 2012). The United Nations Convention to Combat Desertification was an initiative focusing on countries experiencing serious drought and/or desertification, such as those in Africa (Ambalam, 2014). In 2009 the United Nations Climate Change Conference, better known as the Copenhagen Summit, was held in Copenhagen to develop a framework for climate change mitigation (Shah, 2009).

Furthermore, the Millennium Development Goals are a summary of agreed-on development goals to be achieved between 1990 and 2015 which aim at reducing poverty and improving lives (Education and Training Unit, 2007). According to McKinley (2004:43), sustainable development, sustainable practices and sustaining economic, social and environmental policies receive high priority at present, especially in the developing world (Africa, South-east Asia and Latin America).
Thus it is evident that sustainable development has taken the lead at an international level and many countries, including South Africa, have joined in using these policies and structures to develop national sustainable plans.

As suggested above, there is a large body of theory that aims to explain and define the concept of sustainable development, as well as the role of development within the developing world.

A theory with a direct link to development that is briefly discussed is the theory of Modernisation (also see 1.4). The modernisation theory was developed in the 1960s to explain the achievement or non-achievement of economic development in countries (Anderson & Taylor, 2006:252). According to Coetzee, in Coetzee et al. (2001:27), modernisation is “the transformation which takes place when a traditional or pre-modern society changes to such an extent that new forms of technological, organisational or social characteristics of an advanced society appear”. Thus, it is the transition from a traditional to a modern society. This theory of development is applicable to South Africa, as it can be considered a traditional society due to its limited resources, technology and economy. A traditional society is defined by Coetzee, in Coetzee et al. (2001:28), as “a society with a restricted capacity to solve social problems and to control the physical environment”. Thus, modernisation can be described as the process of bringing a community up to the level of the modern accomplishments of other societies. Modernisation theory predicts that for economic development to occur countries must change their traditional attitudes, values and institutions and should utilise the opportunities that modernity offers. According to Coetzee, in Coetzee et al. (2001:28–31), this transition to sustainable development includes political, social and economic dimensions; he identifies the characteristics of modernisation as:

- increasing social complexity
- controlling the environment
- increasing adaptation
- production and absorption of knowledge
- rational understanding and flexibility
- social maturation
Other “developmental” theories on the macro-level also exist, for example the Dependency and World System theories; however these theoretical viewpoints do not directly link to the focus of this study.

In terms of real sustainability, McKinley (2004:77) is of the opinion that it all eventually revolves around the interconnectedness of society, economy and the environment, as already alluded to (see 2.5.1).

These three components or dimensions$^2$ are described by Sustainable Settlement in South Africa (2002) as the “three spheres/pillars” that illustrate development, and the desired level of development is when the “triple bottom line” is achieved between the three components. These “spheres/pillars” are consequently discussed in more detail.

### 2.5.3 The interdependence model of development

As already indicated, Sustainable Settlement in South Africa (2002) identifies the interdependence between the economic, social and biophysical systems as basic to development. The interdependence model suggests that the economy exists within society as it requires human interaction, and the society exists within the biophysical system, but the economic system and social system cannot exist independently of the biophysical system (Sustainable Settlement in South Africa, 2002). Thus, the model suggests assumptions from systems theory in that no system can function independently without the other systems; they influence each other and contribute to sustainability as a whole.

In the sections to follow, the **three basic dimensions** (“pillars/spheres”) of development, namely the **economic, environmental** and **social** dimensions, are examined closely.

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$^2$ Although the "dimensions" of development is quite a general way of referring to the multi-faceted nature of development, other terms to describe the economic, environmental and social aspects of development also exist, and are used from time to time in this study, e.g. "systems", "pillars" and "spheres".
2.5.3.1 Economic dimension

Munasinghe (2007) is of the opinion that economic progress is evaluated in terms of welfare and measured as the willingness to pay for goods and services consumed. Maunasinghe (2007) describes economic sustainability as existing when the flow of income generated is maximised while maintaining the stock of assets that yields this income. This is in line with Du Plessis and Landman (2002:10), who state that the economic aspect requires “an economic system that facilitates equitable access to resources and opportunities and the fair sharing of finite ecologically productive space that enables sustainable livelihoods and establishes viable businesses and industries based on sound ethical principles”.

2.5.3.2 Environmental dimension

Human welfare depends on ecological services and therefore the need exists to manage scarce natural resources (Munasinghe, 2007). In this regard Munasinghe (2007) states that natural resource degradation, pollution and loss of biodiversity are detrimental as they increase vulnerability, undermine system health and reduce resilience. Ecological sustainability can then be understood as the normal functioning and longevity of a nested hierarchy of ecological and socio-economic systems (Munasinghe, 2007).

The environmental aspect requires “[finding] a balance between protecting the physical environment and its resources, and using these resources in a way that will allow the earth to continue supporting an acceptable quality of life for human beings” (Du Plessis & Landman, 2002:10).

2.5.3.3 Social dimension

The social dimension is referred to as the “weakest pillar” of sustainable development by Lehtonen (2004:199), because normally not much attention is given to individuals and their individual development.
Lehtonen (2004:203) identifies an individual’s capabilities as an important factor in the social dimension and refers to Sen (1999), who is of the opinion that capabilities are combinations of functions an individual can achieve. Sen (1999), as cited in Lehtonen (2004:203), states that these functions can vary from elementary, such as nourishment and shelter, to complex, such as self-esteem and community participation. Thus, this capability approach emphasises the importance and improvement of social conditions. This is in line with the opinion of Du Plessis and Landman (2002:10) that the social dimension requires “positive human development and provid[ing] people with opportunities for self-actualization and an acceptable quality of life”.

Torjman (2000:2) identifies key directions for social sustainability, namely poverty reduction, social investment and the building of safe and caring communities. Torjman (2000:2) elaborates that informed citizen participation comprises democracy, which is a prerequisite for the protection of human rights and the equitable distribution of resources.


[s]ocial sustainability refers to the social dimension of sustainable development. It implies that the various economic, social and ecological policies being implemented in the context of development should not generate negative consequences or social dysfunctions that destroy the social cohesion, jeopardise human and social capital and reduce people’s capability of improving their wellbeing presently or in the future.

The conclusion can be drawn that “the focus of the social dimension is on the structure and outcomes of relationships and social interactions” (McKinley, 2004:103).

According to Du Plessis and Landman (2002:10) it is unlikely that all the principles from all three spheres can be upheld at all times, as they have in some instances conflicting requirements. Therefore sustainable development is not an easy task and it can happen that one sphere is developed to the detriment of another (Du Plessis & Landman, 2002:10).
In this regard, Sustainable Settlement in South Africa (2002) states that policy and decision-makers need to guide and direct a dynamic balance between the spheres and ensure that one is not developed at the expense of another.

Many policies, strategies and programmes for sustainability have been developed and initiated, some effective and others less so. The questions can be asked: what does a sustainable community look like? Are we only planning and aiming to sustain survival, or are we striving towards sustaining an optimal livelihood (Du Plessis and Landman, 2002:9)? Thus, the focus should be not on sustaining development but on sustainable development. Peter Hall (2000), cited in Du Plessis and Landman (2002:15), aims to answer these questions by identifying the dimensions of sustainable cities, namely: sustainable economy providing work and health; social coherence and social solidarity; decent and affordable housing; stable ecosystems; and resources conserving mobility, life and democracy.

After conceptualising development and sustainability (definitions, as well as the interdependence model), especially within the developing world, sustainable development in South Africa is now investigated.

2.5.4 SUSTAINABLE DEVELOPMENT IN SOUTH AFRICA

Apartheid is seen as a major historical influence in South Africa that has undergone constant change since 1994, with the development of the Constitution of the Republic of South Africa (Act 108 of 1996). Although the focus is on political change, it certainly has an impact on economic, social and environment aspects, as this form the baseline for development (also see 2.5.3). According to Van der Waldt and Knipe (2005:105), the political changes have taken place, but the process of implementing the administrative system as planned is still seen as an ongoing challenge. The result is that the previously disadvantaged segment of society has still to be uplifted.
Many developmental programmes have been put on the table to improve the quality of life in South Africa, such as the Reconstruction and Development Programme (RDP), the Growth Employment and Redistribution Strategy (GEAR) and the Development Facilitation Act 65 of 1995 (Van der Waldt & Knipe, 2005:109).

More recently the Accelerated and Shared Growth Initiative South Africa (ASGISA) was introduced as a national shared growth initiative rather than just a government programme (ASGISA, 2006). This national effort aims to achieve faster and shared economic growth. Spence (2011:42) states that the RDP and the GEAR strategy were specifically implemented to boost job creation and decrease poverty. Spence (2011:43) is of the opinion that government’s efforts were largely unsuccessful, as poverty levels increased between 1995 and 2000. In this regard Landman et al., as cited in Spence (2011:55), write “the single most important issue facing South Africa ten years after the transition to democracy is breaking the grip of poverty on a substantial portion of citizens”. This is also confirmed by Van der Waldt and Knipe (2005:106), who state that poverty is one of the major issues hampering development. On the other hand, according to the ASGISA document (2006), it is possible to halve poverty and unemployment because of the steady improvement in the economy’s performance and job-creating capacity.

Government’s attempts still continue and have spread to the international sphere due to the economic conditions to which African countries have been exposed over the past decade; socio-economic and administrative reforms have been implemented in an effort to correct internal imbalances and inequalities in order to re-establish growth (Van der Waldt & Knipe, 2005:106). According to the CSI handbook (2010:179), rural development is a high priority for government, as the five priority areas were identified as: work and sustainable livelihoods; education; health; rural development, food security and land reform; and fighting crime and corruption. Another programme implemented is the Comprehensive Rural Development Programme (CRDP) released by the National Department of Rural Development and Land Reform in August 2009, which focuses on agrarian transformation, rural development and land reform.
In addition, the National Development Plan released in 2011 states a vision for 2030 to eliminate poverty and reduce inequality (National Development Plan, 2011). It is clear that developmental issues exist in South Africa that is detrimental to survival, especially in rural areas. Government has attempted to address these issues; although challenges exist and little change and improvement are visible, effective policies and structures are being developed aimed at the sustainable development of the country.

NGOs play an important role in sustainable development, which is also the opinion of Hassan and Forhad (2013:59) who state that NGOs are claimed to have significant impacts on sustainable development in the rural areas of developing countries. Therefore the role of NGOs in sustainable development is now discussed.

2.6 THE ROLE OF NGOs IN SUSTAINABLE DEVELOPMENT

The valuable role that NGOs play in society is evident, but according to Hassan and Forhad (2013:60) the sector has arguably failed to create grounds for sustainable development, giving as the reason that the sector is constantly facing pressure due to its vulnerability to natural hazards. Natural hazards are society’s constant changing needs, poverty, unemployment, and health issues, just to name a few.

Hassan and Forhad (2013: 60) also state that the government has limited capacity to address society’s needs and that NGOs have been playing a supportive role together with government. This indicates the importance of collaboration between NGOs and government in order to work towards sustainable development. In this regard Nikkhah and Redzuan (2010:86) identify the role NGOs play in mobilising local communities to acquire more power in order to make their own decisions (also see Central Theoretical Argument on a Human-centred Approach in Chapter One). The challenge that local communities face is the lack of specialists to do professional work and resources to implement projects; in these instances NGOs can assist local staff with drafting sustainable development plans that are functional under the umbrella of a central government policy (Nikkhah & Redzuan, 2010:86).
Nikkhah and Redzuan (2010:86) also confirm the importance of collaboration with civil society, in that “sustainable community development is process-oriented, and it requires extensive community participation and relies on networks to share resources, knowledge and expertise”.

Vernis et al. (2006:23) indicate the importance of the collaboration between NGOs and business, as the non-profit and business sectors are becoming more aware of their mutual dependence; companies need NGOs to approach civil society whilst NGOs need funding.

As stated above, in order to promote sustainable development, collaboration with various partners is critically important, namely with government, business and civil society. However, before creating partnerships, it is of course important that NGOs themselves are also sustainable; this aspect is now briefly highlighted.

2.6.1 Sustainability of NGOs

Blowfield and Murray (2008:239) state that businesses do not announce that they are unsustainable, nor is there evidence that they are truly sustainable, therefore the question arises: “When is a business considered to be sustainable?” Blowfield and Murray (2008:239) attempt to answer the question by stating that most businesses require returns on their investments by growing their profits; this gives rise to the second question: “When is a not-for-profit organisation considered to be sustainable, as most are dependent on funds with no prospects of growing profit?”

According to Tandon (2001:56), NGOs have historically relied on externally generated resources, as funding was provided by development aid. In this regard, Tandon (2001:56) states further that this development assistance has been routed through national governments and is made available to NGOs through government programmes, or directly through external international programmes in home countries. An example of an external development aid in South Africa is USAID, which provides financial resources around the world for poverty alleviation. Relying on externally generated funding alone brings the challenge of NGO self-sustainability to the fore.
Development aid bodies have realised this, and therefore NGOs must prove self-sustainability as a prerequisite to receiving externally generated funds. For this reason many NGOs enter into partnerships with the corporate sector, as this shows sustained flows of financial resources (Tandon, 2001:57).

According to Abugre (1994:129), the strength of NGOs should lie in the relevance of their goals, their responsiveness to needs and their ability to mobilise resources in order to continue with their services. Abugre (1994:129) explains that relevance is measured against the needs and perceptions of the community, but needs and perceptions change continuously and therefore effectiveness and responsiveness are functions of organisational efficiency.

As already suggested, the strength of NGOs’ contributions to sustainability lies in their potential to collaborate on a wider front. In the following section (2.6.2), these collaborative partners are investigated.

2.6.2 Collaboration to promote sustainable development

The World Bank Development Forum defines a partnership in Trialogue (2011:74) as “[a] thoughtfully created, value-added and mutually beneficial relationship between entities/organisations that is nurtured over time and leads to measurable results”. According to Trialogue (2011:74) a distinct feature of partnerships is that a common goal can be reached by satisfying partner needs while sharing risks and rewards. This is in line with the key features of partnerships identified by Patel (2005:283) as sharing risks, responsibilities, resources, competencies and benefits. Benefits from partnerships include enhancing service delivery through enlarged budgets, promoting transformation through sharing best practice, and utilising knowledge and experience to solve social problems (Patel, 2005:283).

Partnerships add value by working together collaboratively as each partner has different and unique competencies, and involve different levels of participation and involvement that can range from knowledge sharing to providing funding for projects (Blowfield & Murray, 2008:260). The establishment of partnerships should therefore focus on fitting the specific purpose in order to reach the envisaged outcomes.
As businesses and NGOs have a common goal, namely sustainable development, a corporate-NGO partnership can be considered in order to reach this goal.

In the sections to follow, critical NGO partnerships are highlighted.

2.6.2.1 Collaboration with business

From the description of partnerships above, they seem to be a win-win arrangement. With regard to partnerships with NGOs, Berger et al. (2004) – as cited in Wadham (2007:30) – state that they offer companies a channel to improve their credibility and access to stakeholders, while they assist NGOs to address social problems. This is further explained by Damlamian (2006:5), who claims that businesses have the potential, capacity and resources to impact various stakeholders in a positive way but are not always in tune with the needs of society; on the other hand NGOs have become instrumental in development work, but do not have the resources and capacity to carry out projects in a sustainable manner.

This is why engagement between private and public sectors in finding solutions for problems has been an increasing trend globally. This trend in finding solutions is confirmed by Van den Ende (2004:102), who is of the opinion that “business in South Africa is becoming more involved in the solution of the social, economic and environmental problems of the country”.

Partnerships with NGOs are described by Austin (2000), as cited in Wadham (2007:30), as “collaboration imperatives” as companies move away from “philanthropy” to “transactional” engagement towards “integrative” partnerships.

In this regard Abugre (1994:124) says that collaboration between NGOs and the business sector has been described as an interesting phenomenon evolving in South Africa from 1994, where businesses collaborate with NGOs for their expertise. The concept of business’s obligation to contribute to society’s wellbeing began by recognising that socially responsible behaviour is fundamental to the long-term growth, prosperity and profitability of the company (Triologue, 2011:1).
According to Vernis et al. (2006:29) the strategic driver for business to collaborate with civil society is **corporate citizenship**. Corporate citizenship has been used as a development of CSR which emphasises the role of business as a citizen in global society and its function in delivering the citizenship rights of individuals (Blowfield & Murray, 2008:12).

The concept of CSR, and more specifically CSI, can be traced back to pre-apartheid years when people and businesses donated monetary and non-monetary goods to churches and NGOs who worked to assist the disadvantaged (Fourie, 2005:86).

According to Damlamian (2006:11), the public views NGOs as more trustworthy than corporations in respect of benefiting society. Therefore there are many benefits for business in collaborating with NGOs: for example, the company will be seen as more credible in its attempts to corporate social responsibility through this association, and engaging in an actual partnership brings to a company’s reputation credible evidence of commitment (Damlamian, 2006:12).

**2.6.2.2 Collaboration with government**

Many are still unclear why businesses have to intervene in certain aspects of development and the role played by government. The debate will continue on what aspects of the business-society relationship can be addressed by actions rooted in self-regulation, societal pressure and business self-interest, and what aspects require formal government intervention through social development, public-sector management or legislation (Blowfield & Murray, 2008:357).

The reason why businesses are urged to intervene where government efforts are insufficient is explained by Damlamian (2006:6): there is a decline in the nation-state in an increasingly globalised international economy, and transnational corporations (TNCs) and multinational corporations (MNCs) have gained more power. Thus a shift of power has taken place around the world, from government to major corporations, especially in the developing countries.
Section 152 of the Constitution (1996) states that the objectives of local government are to ensure the provision of services to communities in a sustainable manner, and to promote social and economic development. Thus, a link and obligation exist for both government and the private sector to act in the best interest of society in terms of economic, social and environmental aspects. Against this background, partnerships between government and NGOs might be meaningful and significant in the whole developmental process.

2.6.2.3 Collaboration with civil society and communities

A study of NGO relations with government and communities was conducted in Afghanistan, where it was found that “good, qualified and well respected NGOs are doing a tremendous job and where outcomes are good, the local population views NGOs favourably (Jelinek, 2006:12). The researcher is of the opinion that this is also applicable to South Africa, as perceptions of NGOs are linked to the outcomes of the projects they implement. This study in Afghanistan was also found that some NGOs implemented projects regardless of what the community saw as relevant (Jelinek, 2006:12), with the result that some NGOs were not trusted by communities and relevant projects were not implemented to address the needs of the people. In order to establish collaboration with communities, people should acknowledge and communicate their needs and work towards relevant solutions with the assistance of NGOs.

According to Nikkhah and Redzuan (2010:90), capacity building and empowerment are the best means to achieve sustainable community development, and are achieved by assisting communities to discover their own potential and mobilising them to be self-reliant. Developing community capacities includes increasing skills, abilities, knowledge and assets and acting as capacity builders that assist the community to achieve empowerment (Nikkhah & Redzuan, 2010:90). In this regard Lyons et al. (2001), as cited in Nikkhah and Redzuan (2010:90), believe that when people become fully empowered, they are able to contribute to sustainable development.
The conclusion can be drawn that an effective collaboration between NGOs and communities would include NGOs utilising their skills, knowledge and expertise to assist communities that acknowledge their needs and engage in the process of development, with improvement of socio-economic wellbeing as result.

Lastly, the contentious issue of funding within the NGO sector is discussed.

2.7 FUNDING IN THE NGO SECTOR

Not-for-profit organisations need funds in order to render services to communities. These services focus on social wellbeing and upliftment in many different ways, as discussed in The role of NGOs (2.4). Funding challenges experienced in general by NGOs are now discussed, which is in line with Objective 2 (see Chapter One 1.4.2).

2.7.1. Lack of funds

NGOs are moving through dramatic times, especially with regards to funding. According to the Codes of Good Practice for South African Non-profit Organisations (1997), many organisations are emerging from a period when standards and behaviours were dictated by two unavoidable forces: the changing needs of communities and the intentions of major donors. Looking at the changing needs of communities first, Abugre (1994:128) states that NGOs are faced with a lack of resources and the unpredictability of change. When changes take place, modifications are necessary, which means putting new measures in place within the NGO sector in order to respond to these changes and new needs that will arise from them. Often additional resources are needed to change programmes and activities that were not budgeted for or that are just not available.

The most popular method of obtaining funds is through fundraising. A fundraiser is defined by the Codes of Good Practice for South African Non-profit Organisations (1997) as “A person engaged full-time, part-time or in a volunteer capacity, by an NPO to raise resources, more often than not money, in support of programmes, projects and operational costs. This function can also be outsourced to individuals or businesses who provide fundraising services".
Fundraising has become a profession and is more and more referred to as “resource mobilisation” rather than fundraising (Codes of Good Practice for South African Non-profit Organisations, 1997). Long-term committed investment from reliable donors seems to be a challenge. This is confirmed by Vernis et al. (2006:6), who state that people make a one-time contribution to NGOs rather than sustaining a continued commitment to them.

Another factor that could possibly explain the absence of long-term reliable donors is growing socio-economic challenges. The scarcity of available resources coupled with new donors/funders (with different requirements and expectations) makes access to funding more difficult. This brings us to the second unavoidable force indicated by the Codes of Good Practice for South African Non-profit Organisations (1997) (see 2.7.2.1), namely the intentions of major donors.

### 2.7.2 Donor requirements

The service delivered by NGOs is made possible by the contributions of individuals and institutions, referred to as “donors”. A donor is defined by the Codes of Good Practice for South African Non-profit Organisations (1997) as “An individual or institution who agrees to voluntarily provide resources, more often or not money, in response to various appeals presented by an NPO, in support of their programmes, projects and operational costs”. Each donor has its specific requirements, for example how and when to provide feedback on the expenditure or outcome of services. At times the challenge is that donors fund only specific programmes or activities but not any overhead costs, for example salaries of staff members. Many NGOs are desperate for funding and will comply with donor requirements even if it means that the goals of the organisation are directed into another path. In this regard, the Voluntary Independent Code for Non-profit Organisations in South Africa (2012) states that NGOs are becoming proactive as the custodians of community-driven development and are guided by their missions instead of by the agendas of funding sources.
2.7.3 Limited expert capacity

Without sufficient funds NGOs cannot afford specialists in the field. There is weak capacity in fundraising, governance, technical areas and different aspects of sustainable development.

In the Codes of Good Practice for South African Non-profit Organisations (1997) it is stated that fundraising activities are handled by volunteers or people who do them as a part-time job. For this reason resource mobilisation skills are limited: opportunities are not optimised locally and NGOs wait for international donors to approach them.

2.7.4 NGO competition

Many NGOs who focus on the same development issues experience negative competition for resources, which undermines the sector's reputation and the effectiveness of the activities at community level. Vernis et al. (2006:69) confirm that NGOs choose to compete instead of partnering with each other. As a result, among NGOs there is a great deal of suspicion, secrecy and lack of transparency.

2.7.5 Poor governance

According to Vernis et al. (2006:8) reports issued by international organisations state the growing difference between rich and poor countries and nations; the gap between the privileged and underprivileged widen, with the result that many people are discouraged from working for or supporting NGOs. Vernis et al. (2006:8) explain that people may feel that social disparities are not addressed but only mitigated, and therefore don’t see the value in the work done by NGOs. In this regard, Bennett (1995), as cited in Dereje (2011:16), states that NGOs were criticised for lack of accountability in previous years, weak coordination and competition amongst themselves, which reflected negatively on NGOs that had made so much difference in development interventions. The reason why communities do not support NGOs and criticise them for not delivering outcomes is poor governance.
Good governance implies ensuring implementing the NGO’s mandate, effective strategy and budgetary discipline, affirming core values, setting attainable standards, monitoring performance, being transparent and focusing on outcomes (Voluntary Independent Code for Non-profit Organisations in South Africa, 2012).

Thus, in order for the community to trust, support and recognise an organisation, good governance must be a priority for the board members and management.

2.7.6 Absence of strategic planning and a developmental approach

Korten (1990:114) is of the opinion that “an organisation cannot have a meaningful development strategy, without a development theory”. This statement implies that many organisations assist in relieving the symptoms of underdevelopment through the services they render, but indirectly strengthen the forces responsible for those conditions. An organisation should have clear goals, know what they want to achieve, and be certain that their services are directed towards those goals.

To give a simple example: if an NGO’s goal is community development, this will not be achieved by merely handing out basic necessities like food parcels. Thus, a theory for development directs action to the underlying causes of underdevelopment (Korten, 1990:113). If only the symptoms are addressed but not the underlying causes, all the resources and efforts of organisations are wasted. Kelly (2006:4) describes the “four generations theory” of Korten (1990) as a development story which extended over decades, as a new generation of work was adopted and the previous one was abandoned.

The first-generation strategies, according to Korten (1990:115), “involve the NGO in the direct delivery of services to meet an immediate deficiency or shortage experienced by the beneficiary population, such as needs for food, health care or shelter”. This is seen as “assisting” more than “developing”, for example assisting people with basic necessities after an earthquake. Korten (1990:116) states that with a little short-term assistance people get back on their feet, which make this generation succeed in the goal that was set.
Many NGOs are still directed to immediate relief efforts because they will always remain essential in emergency situations.

The second-generation strategies focus on strengthening the capacities of people or “empowering” them to meet their own needs through self-reliant local action (Korten, 1990:118). These strategies focus on sustainability and mostly involve community development projects such as establishing health committees and forming community councils. Korten (1980:118) also states that these strategies focus on groups or communities such as women, where a partnership exists between the community and the NGO. It is clear that the role of the NGO changes from that of a “doer” to that of a “mobiliser”.

According to Korten (1990:120), “Third-generation strategies look beyond the individual community and seek changes in specific policies and institutions at local, national and global level”. This means that NGOs form part of policy development that promotes sustainable and local development. Development initiatives are more likely to be sustained if they are linked to national systems; here the NGO plays an important role in facilitating change within systems in order to support development initiatives.

The fourth-generation strategies focus on people-centred development and include peoples’ movements (Korten, 1980:124). These strategies are not necessarily driven by funds, but by the ideas of people, in order to bring about change.

An organisation is able to formulate a better development strategy when these theories are considered in order to establish what it is that the organisation wants to accomplish. Without an effective strategy plan, NGOs will not be able to take ownership of their vision, mission and activities, which in turn will make them vulnerable to spending their resources to no effect.
2.7.7 Demands from government

The importance of collaboration with government has been discussed (see 2.6.2.2); where NGOs play a supportive role together with government because of government’s limited capacity to address societies’ needs (Hassan & Forhad, 2013:60). With the growing and changing needs of communities, government needs more assistance from NGOs in order to address these needs. In this regard Vernis et al. (2006:4) state that “public administrations are increasingly turning to non-profit organisations to render some of their services, and this is a source of tension for non-profits”. Receiving more demands from government to assist with addressing social needs becomes a funding challenge for NGOs, as they already lack sufficient funding for existing programmes and activities.

NGOs are functioning under pressure to render services due to lack of funding, and at the same time expanding sets of development expectations are being projected onto them (Wadham, 2007:28). Sustainable development work is needed but sufficient funding is an ongoing challenge for NGOs, as is ensuring sustainability within their programmes and activities. Partnering with corporate organisations and/or investing in development programmes may create sustainable measures for development for NGOs. This is supported by Wadham (2007:31), who states that business may represent alternative funding when NGOs are facing a decline in income from government and the public; this point is clear in the section on Partnerships (2.6.2). Thus, the problem of insufficient funding can be addressed by linking with the business sector, as alleviating poverty requires both collaboration and coordination from both sectors (Damlamian, 2006:15).

In conclusion, NGOs need to consider alternative solutions in order to move towards sustainability, such as partnering with business as stated above. This is also confirmed by the Codes of Good Practice for South African Non-profit Organisations (1997), which states that it has become almost impossible to support the work of organisations from donor income alone and that resources should be found by examining many different directions and methods.
2.8 CONCLUSION

Historically, all over the world and not only in South Africa, it was expected that the family or the community would help those who were in need as a result of poverty and unemployment. Welfare organisations only started to form in the late 1920s, and have developed to such a level today that they are seen as essential partners in service delivery and development.

The relevance of NGOs to society’s wellbeing has been acknowledged, but in contradiction Vernis et al. (2006:15) state that NGOs must prove to society that they are not just charitable organisations but an essential pillar in today’s society. Despite the challenges faced by NGOs, they continue to survive, grow and develop and in turn help to develop the communities they serve. They continually widen the circle of access and empower more people to enter the job market, while providing essential services that aid development and growth.

NGOs themselves need to be sustainable in order to continue service delivery, which raises the continuing challenge of obtaining funding and adequate resources. Collaboration between NGOs, government, business and communities is essential in order to promote sustainable development. The roles of business and NGOs have changed. According to Vernis et al. (2006:26), the business and NGO sectors have experienced a “change in their mutual relationships, going from reactive and confrontational to proactive and collaborative relations”. In this regard Vernis et al. (2006:24) are of the opinion that businesses are now seen as necessary partners in improving society, and expectations of businesses’ commitment to social development are growing.

As the government’s capacity is limited in relation to the continually changing needs of society, NGOs and the business world are relied upon for intervention. Communities should be empowered and build on their capacities while being included in the development process, thus effective collaboration between NGOs and society is essential.
CHAPTER 3: FUNDING CHALLENGES IN BRAMLEY CHILDREN’S HOME
WITHIN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

3.1 INTRODUCTION

In the previous chapter, the role of NGOs within the context of sustainable development is described and a brief overview of the funding challenges within the NGO sector is given. This chapter relates to the research objectives as indicated in Chapter One (see 3.2.3 & 3.2.4) by reporting on the findings of the funding challenges identified at Bramley Children’s Home, as well as the perceptions that management has regarding funding challenges.

3.2 BACKGROUND OF BRAMLEY CHILDREN’S HOME

Bramley Children’s Home is situated in Pretoria and forms part of Child Welfare Tshwane. Child Welfare Tshwane is a not-for-profit child protection social service organisation that cares for, protects and empowers children and strengthens family life (Child Welfare Tshwane Annual Report, 2013/14). Although Child Welfare Tshwane provides various communities in Pretoria with social services, this study focuses on Bramley Children’s Home, which was used as the case study for this research.

The Children’s Act (Act 38 of 2005) refers to the term “child care facilities” which includes any facility where children are housed outside their parental home, namely schools of industry, foster care placements, places of safety and children’s homes. Bramley Children’s Home, as a child care facility, provides full-time residential care to 54 children who do not have parents or who are unable to live with their biological families, irrespective of the reasons. The 54 children homed are from different cultural backgrounds and church dominations; they are boys and girls between the ages of six and 18 years.

The Home delivers fulltime holistic care services to these children, including physical care, emotional care, educational care and spiritual care (Child Welfare Tshwane Annual Report, 2013/14).
At the Home, physical care includes providing three balanced meals, purchasing, washing and maintaining clothing and school uniforms, cleaning the houses daily, seeing to the personal hygiene and care of the children, as well as providing medical care (including visits to doctors, dentists and orthodontists) (Child Welfare Tshwane Annual Report, 2013/14). Emotional care refers to therapy that is given according to the children’s specific needs. Specialised therapy is accessible where needed, and a multi-disciplinary team of psychiatrists, social workers, psychologists and school teachers ensures that all the children’s unique needs are met (Child Welfare Tshwane Annual Report, 2013/14). Educational care ensures that children are transported to and from schools and extra mural activities and attend extra classes if needed; volunteers assist with homework on a daily basis (Child Welfare Tshwane Annual Report, 2013/14). Spiritual care provides children with the opportunity to attend different church services and to receive home visits from church groups. Spiritual and informal holiday programmes are implemented during school holidays (Child Welfare Tshwane Annual Report, 2013/14).

In order to provide these 54 children with continued holistic services in order for them to function optimally within society, funding is needed to ensure the sustainability of Bramley Children’s Home. This stresses the importance of funding, and identifying the funding challenges within the Home and the impact thereof on the organisation and the wider society.

3.3 FINDINGS

In order to report on the findings of funding challenges and the impact of these challenges on Bramley Children’s Home, a research process was implemented whereby information was gathered through certain methods and procedures referred to as research methodology (Welman et al., 2005:2).

The survey procedure was used to obtain qualitative data through a questionnaire and semi-structured interview questions. Bramley Children’s Home was utilised as a case study for this research: a case study is explained by Stake (1995), as cited in Schurink and Auriacombe (2010:438), as a social phenomenon that can be understood in its wider context as it enables the researcher to present the complexity
and multi-dimensionality of the case. In this research study, funding challenges are identified within the Home and the effect thereof on the wider community is explored, which makes it possible to understand Bramley Children’s Home in its wider context. Three managers directly linked to funding of the Home participated in the research from which all the information was obtained.

From the information gathered regarding the funding of Bramley Children’s Home, three major themes were identified according to the literature (deductive reasoning; also see Questionnaire/Interview schedule Appendix B), namely fundraising, funding challenges and the effect that insufficient funds would have on the specific community and wider society. The findings on these themes are now discussed.

3.3.1 Fundraising in Bramley Children’s Home

“Fundraising” is a very well-known term within the NGO sector, as no services can be rendered without funds. Fundraising is a technique used to raise funds, or describes the gathering of resources, of which the most important is money (Codes of Good Practice for South African Non-profit Organisations, 1997).

The Codes of Good Practice for South African Non-profit Organisations (1997) document states that no magic formula exists that can transform an urgent appeal into instant results, which emphasises that organisations are likely to experience funding challenges.

Funding is seen as a common dilemma among NGOs; this is supported by the opinion of Vernis et al. (2006:59), namely that financial dependence will always be a fairly constant feature. All the respondents from Bramley Children’s Home recognised funding as a common dilemma in the NGO sector. Further, all the respondents indicated that the organisation did not raise enough money to reach its funding goals for 2012/2013, which is also the current situation as the organisation does not generate enough funds to support the current goals of the organisation.
The current financial situation of Bramley Children’s Home was explored further: one respondent evaluated the current financial status of the organisation as “Good enough – enough funding to support the main activities, but some programmes are lacking funding”, and two respondents evaluated the organisation as “Unstable – most of the activities experience financial difficulties”. This confirms that the common dilemma of funding is also experienced in Bramley Children’s Home.

In this regard, Viravaidya and Hayssen (2001:2) stress that increasing financial security should be part of an NGO’s planning. Funding options should be considered in order to choose the most appropriate mix, just as NGOs must determine which core activities and implementation strategies are most appropriate to their missions and goals (Viravaidya & Hayssen, 2001:2). This means that either becoming completely independent of donors or becoming self-reliant to cover overhead costs, or remaining dependent on funds, depends on the nature and context of each unique NGO.

The quest for adequate funding in order to deliver services is no different for Bramley Children’s Home. In this regard, Viravaidya and Hayssen (2001:1) convey the reality in that the managers of NGOs spend just as much time on finding funds as on utilising the funds. Limited expert capacity was identified in Chapter Two (see 2.7.3) as a funding challenge which is seen as an important aspect by the Home.

A marketing strategy is used by the management of Bramley Children’s Home which serves as a guideline on generating funds. This strategy forms part of the marketing department of the Home, which serves to advertise the organisation and its services to the community with the intention of obtaining funding. The following activities are implemented by the Home in order to raise funds:

- marketing services through the website and social media
- community awareness through the local radio station and newspapers
- events including charity golf days and ladies’ teas, and bequests
- proposals to corporate and private companies and grant applications
The challenge of obtaining funding was fully discussed in Chapter Two (see 2.7). The scarcity of available resources makes access to funding obviously more challenging. According to the management of Bramley Children's Home, the success rate when applying for funding ranges from 50%–60%.

The Codes of Good Practice for South African Non-profit Organisations document (1997:15) states that “Unlike businesses that earn their income by selling goods or services, and unlike the government whose resources are provided by taxation, a non-profit organisation does not own the resources it raises”. Therefore organisations are expected to be careful and effective managers of the resources entrusted to them by donors, sponsors and the state. Viravaidya and Hayssen (2001:6) refer to a “market” of potential donors which NGOs must consider when probing for funding. These include the market of cash donations, the market of volunteers, the market of corporate donors and lastly the market of community clubs and associations (Viravaidya & Hayssen, 2001:6). In this regard, the research probed further to identify the sources of funding for Bramley Children's Home; these are indicated in Figure 1 from the largest source to the smallest source in percentages.

![Figure 1: Sources of funding](chart.png)

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>60%</td>
</tr>
<tr>
<td>Self-generated funds</td>
<td>10%</td>
</tr>
<tr>
<td>Corporate/CSI initiatives</td>
<td>20%</td>
</tr>
<tr>
<td>Civil society</td>
<td>10%</td>
</tr>
</tbody>
</table>
Figure 1 indicates that funding is mainly received from government (60%), followed by funding from corporate and/or CSI initiatives (20%) is received; the smallest category is self-generated funds and funds from civil society, both amounting to 10%.

The management of Bramley Children’s Home indicated that the amount of funding from these sources is not adequate, given the following reasons:

- “Increasing cost of living provides great challenges in terms of meeting economic needs and covering expenses. As a result the Children’s Home’s funding goals has gotten higher for the financial year of 2013/2014 in relation to 2012/2013”.

- “Available funding is used for day to day functioning but not for sustainability.” This indicates that the available funding covers the immediate relief but that it is not adequate to plan for the long-term sustainability of the organisation.

Fundraising is an evident issue for NGOs, but at the same time it is a challenge as there is no guarantee of obtaining the much-needed funds to implement services. Funds received by Bramley Children’s Home are utilised to implement social services on a day-to-day basis, but management indicated that they are not adequate to reach the funding goals, and especially not to plan for the sustainability of the organisation.

3.3.2 Funding challenges in Bramley Children’s Home

With regard to funding in the NGO sector, Vernis et al. (2006:59) state that financial dependence will always be a fairly constant feature, as discussed in the previous section (see 3.3.1). The six most immediate funding challenges identified by the management of Bramley Children’s Home are shown in Figure 2:
Figure 2: Funding challenges in Bramley Children’s Home

- “Lack of sustained resources which provide funding – receiving a once-off donation instead of long term commitment.” format

According to Vernis et al. (2006:6), people make a one-time contribution instead of sustaining a continued commitment. At Bramley Children’s Home, non-monetary donations are received from the community, for example clothes, toys and books. Once-off donations are received on special request, for example a financial contribution to send a child on a camp, or a personal item needed by a child. Thus, the organisation is in need of long-term investment in order to assure sustainability.

- “Unpredictability of change and circumstances cause the need for intervention which was not budgeted for.

The role of an NGO is seen as facing the challenges of a rapidly changing society and continuing to improve the lives of people. Change forces public and private institutions to adapt their activities and management processes (Van der Waldt & Knipe, 2005:177). As Bramley Children’s Home focuses on the care and protection of vulnerable children, it is faced with the constantly changing needs of children between the ages of six and 18.
Thus, the Home needs to keep abreast of the children’s needs and must ensure that relevant services and programmes exist to address these needs. The challenge in this regard, according to the findings, is that this adaptation of services and/or programmes might involve costs that were not budgeted for.

- “Limited capacity – can’t afford experts to obtain more funds”

Without sufficient funds NGOs can’t afford specialists in the field. “Specialists” here refers to a multi-disciplinary team which includes qualified or knowledgeable professionals such as fundraisers, resource mobilisers, marketers and managers employed to obtain funds. NGOs have limited technical and organisational capacity because they can’t afford qualified and/or knowledgeable professionals; this means they have weak capacity in fundraising, governance, technical areas and different aspects of sustainable development. In the case of Bramley Children’s Home, limited capacity refers not only to professionals obtaining funds but also to specialists necessary to address the problems and needs of the 54 children being cared for in the Home. Here one must be reminded of the emotional care delivered to these children on a daily basis. Emotional care includes specialised therapy, a multi-disciplinary team of psychiatrists, social workers and psychologists who must ensure that all children’s unique needs are met (Child Welfare Tshwane Annual Report, 2013/14). Thus, within the nature and context of Bramley Children’s Home, specialist services are a necessity that requires adequate funding.

- “The gap that exists between government and the NGO sector, as they don’t find each other”

The importance of collaboration or formulating partnerships to promote sustainability was discussed in Chapter Two (see 2.6.2). The importance of this partnership is explained by Hassan and Forhad (2013:60), who state that the government has limited capacity to address society’s needs and that NGOs have been playing a supportive role with government to address these needs. The finding that a gap exists between NGOs and the government raises concerns, as this partnership is essential for sustainable development. This implies that the current partnership between government and NGOs is not clear in terms of roles, responsibilities and the goals and objectives of the partnership.
• “Competition with other/similar NGOs”
All respondents indicated that they did regard other NGOs as a threat when applying for funding. In this regard Vernis et al. (2006:69) state that the new institutional and financial environment in which private organisations operate, drives non-profit organisations to compete for resources, instead of considering joint ventures. In the case of Bramley Children’s Home, there are other children’s homes in and around Pretoria that could compete for funding or donations. Companies invest in organisations that are in line with their core business, for example education or health. Competition can also be seen as finding companies whose core business and strategy are in line with the Home.

Another challenge associated with funding as identified by the management of Bramley Children’s Home is:

• “Ensuring that donors receive detailed feedback on the funding provided”
Two respondents indicated that current donors dictate the scope and direction of the organisation’s programmes, and one respondent indicated that they don’t do this. The result of this challenge, according to Viravaidya and Hayssen (2001:2), is that NGO managers are left to find ways to increase their financial security without sacrificing the mission of their organisations. Every donor still has its requirements as to how funds should be spent, and expects detailed feedback on the funding provided; the challenge is to ensure that these requirements are met.

As stated above, lack of sustainable funding, the unpredictability of change, limited expert capacity, the gap between government and NGOs and competition with other/similar NGOs are the main challenges to funding at Bramley Children’s Home. These funding challenges contribute to the overall perception that funding is a common dilemma within the NGO sector, specifically referring to Bramley Children’s Home. These challenges affect the current implementation of services as well as the likelihood of the organisation itself becoming sustainable.
3.3.3 The impact of funding challenges on Bramley Children’s Home and wider society

In the previous section, funding challenges identified by the management of Bramley Children’s Home are discussed. The aim is now to report on management’s view of the impact that the identified funding challenges have, firstly on the sustainability of the organisation itself, and secondly on the role of the organisation within sustainable development.

3.3.3.1 Sustainability of Bramley Children’s Home

According to Blowfield and Murray (2008:239), it is difficult to assess if a business is sustainable or not, but the returns on its investments could be used as an indication. The question arises whether an NGO can be considered sustainable, as most are dependent on funds with no prospects of growing profit.

In this regard, Hassan and Forhad (2013:60) believe that the NGO sector has failed to create grounds for sustainable development, as it is constantly vulnerable to natural hazards such as constantly changing needs, poverty, unemployment and health issues.

According to the management of Bramley Children’s Home, the goal in terms of sustainability for the organisation is to “Focus on self-generated funds in order to support the overhead costs”. Two respondents indicated that the organisation is “Halfway to being self-sustainable (50%)” and one respondent indicated that the organisation is “Not near to being self-sustainable (30%).” The management of Bramley Children’s Home identified three components that form part of their planning for sustainability and continuing to address the changing needs of society:

- Improve and focus on the marketing plan

Improving the marketing plan can be linked to Korten’s (1990) generation theory as discussed in Chapter Two (see 2.7.6). In order to have a development strategy, a development theory must first be identified in order to determine the way in which the organisation plans to go.
Bramley Children’s Home confirms that changes take place on a continuous basis and that policies and strategies must then also be improved continually in order to keep up with the pace of modernisation. According to Korten (1990), the starting point of formulating any plan in an organisation is to go back to the goals and the outcome that the organisation wants to reach. Focusing on the marketing plan implies actively executing this improved strategy in order to showcase the role that Bramley Children’s Home plays in the lives of 54 children in need of care and protection, as well as the contribution made by addressing this social problem within the community. The ultimate aim of the marketing plan is to obtain donors and partnerships that will assist the Home in its journey towards sustainability.

- **Receive expert advice in terms of obtaining funding and focusing on proposals to businesses and private companies**

Here it is evident that Bramley Children’s Home has the challenge of limited expert capacity, which is mentioned in Chapter Two (2.7.3.). According to the Codes of Good Practice for South African Non-profit Organisations (1997:19) fundraising has become a profession for which there is no general formula but which requires skills and knowledge to obtain funds effectively.

- **Building on current and new relationships with donors and partnering with more businesses and private companies**

This point indicates the importance of collaboration discussed in Chapter Two (see 2.6.2). According to Patel (2005:283) the benefits from partnerships include enhancing service delivery through enlarged budgets, promoting transformation through sharing best practice, and utilising knowledge and experience to solve social problems.

Based on the opinion of Hassan and Forhad (2013:60), one can make the assumption that determining the sustainability of a NGO is a challenge due to the circumstances in which such organisations operate. This could also apply to Bramley Children’s Home, but according to the findings, this organisation is goal-directed in striving towards being self-sustained; it has an implementation plan in place and is well on the way to achieving this goal.
In this regard, Korten’s (1990) generation theory can be linked to the Home’s goal of sustainability, which was briefly discussed in Chapter Two (see 2.7.6). Korten (1990:114) is of the opinion that an organisation must first be very clear about its mission and goals and the outcome to be reached when addressing social problems; it can then follow a theory that will determine the organisation’s strategy. According to Korten (1990) there is a four-generation strategy. The first generation focuses on relief and welfare, the second focuses on community development, the third focuses on sustainable system development and the last focuses on people’s movements. According to Korten’s (1990) theory, Bramley Children’s Home can be considered to fall within the first-generation strategy by providing immediate relief specifically to children in need of care and/or protection. In terms of striving towards becoming self-sustainable, it adopts the third-generation strategy of developing sustainable systems. Management of the Home participates in policy development and liaises with government in creating sustainable systems in order to promote the rights of children.

The underlying assumption remains that funding challenges affect the sustainability of an organisation and its role within sustainable development. If adequate funding is not available to implement activities, this affects the organisation negatively. The management of Bramley Children’s Home has identified five ways in which the nature of funding affects the work of the organisation:

- “It limits the organisation’s adaptability to expand on much-needed social services in the underserved communities.”
- “It’s difficult to budget properly.”
- “It’s difficult to address growing needs.”
- “It’s difficult to provide a sustainable income flow.”
- “It limits opportunities for children.”

Vernis et al. (2006:57) stress the fact that non-profit organisations are severely endangered if funding on which the organisation is dependent were to be withdrawn. In terms of sustainability, Abugre (1994:129) states that the strength of NGOs should lie in the relevance of their goals, their responsiveness to needs and their ability to
mobilise resources in order to continue with their services. Bramley Children’s Home is in line with the statement above as their goal is to care for, protect and empower children and to strengthen family life; the holistic service delivered to the 54 children indicates their responsiveness to needs and the use of experts (Child Welfare Tshwane Annual Report, 2013/14).

The importance of collaboration in promoting sustainable development, as discussed in Chapter Two (see 2.6.2), is relevant at this point, which refers to partnerships with the community, businesses and government. Collaboration with government in Chapter Two (see 2.6.2.2) indicates the uncertainty of government’s role within the social dimension of sustainable development. Vernis et al. (2006:68) state that due to the lack of adequate resources, the state cannot respond to all needs and has ceased to be viewed as the foremost driver in economic and social transformation. For this reason the state is turning to non-profit organisations to undertake roles that neither the state nor the market can perform (Bresser, 1997:43 as cited in Vernis et al. 2006:47). According to the research findings, all respondents indicated that the constant changes of need in the country contribute to government’s inability to address social needs adequately. All respondents indicated further that it is an NGO’s role to assist the government in addressing social issues. Two respondents indicated that NGOs can be seen as the bridge between society’s needs and the government, but one respondent indicated that bridging this gap should not be regarded as an NGO’s role.

The perceptions of the role of Bramley Children’s Home in sustainable development are discussed below.

**3.3.3.2 The role of Bramley Children’s Home in sustainable development**

The focus of this section is to report on the viewpoint of management regarding the impact that funding challenges within Bramley Children’s Home has on sustainable development. At this point one must recall the three basic dimensions (spheres/pillars) of sustainable development, namely economic, environmental and social (also see 2.5.3).
All dimensions must be in harmony and should interact with each other, and a state should be reached where the existence of people and resources can continue.

Bramley Children’s Home plays a role in the social dimension of sustainable development. This is confirmed by Du Plessis and Landman (2002:10), who state that the social dimension of sustainable development focuses on positive human development, opportunities for self-actualisation and a good quality of life. The holistic care that the Home delivers, namely physical, emotional, educational and spiritual care, it is in line with the social dimension of sustainable development.

The following views are found within the organisation regarding the impact that insufficient funds would have on the community or wider society. In other words, the respondents were asked what the impact would be if the children’s home could not render services in the community due to insufficient funds. Four valuable points were raised:

- “Children in need of care will become a higher social problem and concern in society.”

A child in need of care and/or protection is described by the Children’s Act (Act 38 of 2005) as a child who has been abandoned without any visible means of support, displays behaviour that cannot be controlled, lives or works on the street or begs for a living, is addicted to a dependence-producing substance, has been exploited or lives in circumstances of possible exploitation, lives in or is exposed to circumstances that could harm the child physically, mentally or socially, and/or is being neglected, maltreated, abused or degraded. According to the respondents a child in need of care, as described above, is already regarded as being part of the social problems within society which Bramley Children’s Home addresses. Without the services of the Home, the social problem of children in need of care and/or protection would increase.

- “There would be no caregiver for orphaned and vulnerable children.”

A caregiver is defined by the Children’s Act (Act 38 of 2005) as any person other than a parent or guardian who cares for a child.
According to the Children’s Act (Act 38 of 2005) an orphan is defined as a child who has no surviving parent caring for him or her. According to Kristiansen (2009:10), factors that are found with vulnerable children are lack of care and affection, adequate shelter, nutrition, education and psychological support. This emphasise the important role which Bramley Children’s Home play by acting as caretaker for 54 children who either do not have parents or who are unable to live with their biological families for various reasons (Child Welfare Tshwane Annual Report, 2013/14).

- “Quality care to children in need of care will not be possible.”

According to the Children’s Act (Act 38 of 2005), to care for a child means to provide a suitable place to live which is conducive to the child’s health, wellbeing and development, to provide the necessary financial support, to safeguard and protect the child, to guide the child’s education and upbringing including religious and cultural education, to guide the behaviour of the child and accommodate any special needs of the child. All of the above functions are provided to the 54 children at the Bramley Children’s Home. At the Home, the children’s best interests are priority and it can therefore be regarded as providing “quality care” to them. This emphasises the important role that the Home plays in the lives of the 54 children.

- “Children in protective care would not be given an opportunity to effectively recover from their negative experiences.”

Emotional care is one of the four holistic services that the Home delivers to children to address and deal with the negative experiences they have had. It includes therapy and the specialised services of psychiatrists, social workers and psychologists (Child Welfare Tshwane Annual Report, 2013/14). Without this service children are deprived of the opportunity for positive human development and self-actualisation, which are indicated by Du Plessis and Landman (2002:10) as important factors of the social dimension of sustainable development.

The conclusion can be drawn that the holistic service rendered by Bramley Children’s Home plays a vital role in the process of human development, self-actualisation and the improvement of life in the lives of the 54 children currently living in the Home.
Furthermore, by rendering this service to the community, the social problem of children in need of care and/or protection is addressed; this can be seen as a positive contribution to the social dimension of sustainable development.

3.4 CONCLUSION

From the above findings regarding funding challenges within Bramley Children’s Home, one can conclude that funding is a challenge that impacts on both the sustainability of the organisation and sustainable development within the community. From the findings it is clear that funding goals are not being reached, but that the vision of management is to steer the organisation towards becoming self-sustainable. Bramley Children’s Home has the necessary strengths, as indicated by Abugre (1994:129), which should be built on, namely their services are relevant and responsive to needs and they are able to mobilise resources.

Furthermore, the importance of the partnership between the organisation and government is recognised, and building on new and current relationships and partnerships should become a priority.

The findings have revealed valuable aspects of the effects that would occur if the services of Bramley Children’s Home were to be absent in the community due to funding challenges. These aspects focus on children in need of care and/or protection as a social problem in society, which is linked to the social dimension of sustainable development. This emphasises the important role of NGOs in addressing social problems in society, which is also confirmed by Cleary (1997), as cited in Lekorwe and Mpabanga (2007:3), who says that NGOs “pursue activities to relieve suffering, promote the interest of the poor, protect the environment, provide basic social services and undertake community development”. Finally, it also confirms the importance of Bramley Children’s Home as well as NGOs in general, within the social dimension of sustainable development.
CHAPTER FOUR: CONCLUSION AND RECOMMENDATIONS

4.1 INTRODUCTION

In *Chapter Three* the findings of the empirical study, which entail qualitative research, were presented. The aim of this brief final chapter is to present a concluding summary and recommendations about the literature review as well as the findings from the empirical study.

The focus of this research is funding challenges in the context of sustainable development with specific reference to Bramley Children’s Home in Pretoria. In order to establish if the research study has achieved what it was intended to achieve, it is necessary to compare the literature review and empirical study with the objectives outlined in *Chapter One (see 3.1).* The researcher will present conclusions drawn about the first objective, namely to describe the role of NGOs within the context of sustainable development, the second objective, namely to identify funding issues within the NGO sector and the third objective, namely to identify the funding issues within Bramley Children’s Home and the perceptions of management in this regard.

4.2. AIM OF THE STUDY

The aim of this research was to explore the current funding context of NGOs using Bramley’s Children’s Home as a case study in order to identify the challenges experienced in obtaining adequate funding. The research also investigated the perceptions of management regarding the impact of these challenges on the sustainability of the organisation.
4.3 OBJECTIVES OF THE STUDY

4.3.1 Objective 1: Describe the role of NGOs within the context of sustainable development

This objective was discussed in *Chapter Two*, the literature review, which includes background information on the emergence of NGOs in general, defines the term “NGOs” in the light of relevant literature, gives a background of NGOs within South Africa, and indicates the role of NGOs in communities and wider society. *Chapter Two* describes and defines sustainable development and indicates the role NGOs play within the specific developmental context. The following specific conclusions were reached regarding the role of NGOs within the context of sustainable development:

- NGOs have become a vital source of community empowerment and mobilisation, inspiring responsibility and accountability, which reinforces the important role of NGOs in society. This is confirmed by Tandon (1994:44), who states that the presence of NGOs as actors in the development landscape is evident and therefore they are visible, noticed and acknowledged.

- NGOs focus on social development and the improvement of human wellbeing. This is supported by Lekorwe and Mpabanga (2007:3), who describe NGOs as entities that “pursue activities to relieve the suffering, promote interest of the poor, protect the environment, provide basic social services and undertake community development”.

- There are many different kinds of NGO that attempt to address social, political, economic and/or environmental issues. This is confirmed by Vernis *et al.* (2009:179) who state that many organisations are grouped under umbrella terms such as NGOs, non-profit organisations, civil society organisations and the third sector. Therefore Vernis *et al.* (2009:179) make a distinction between two types of NGO, namely “Social purpose NGOs” and “Club NGOs”.


• The primary difference in the purpose of an NGO and organisation or company in the business sector is that they do not strive for individual profit or advance self-interest; instead they serve the common good and promote public benefit (Voluntary Independent Code for Non-profit Organisations in South Africa, 2012).

• NGOs are expected to have the necessary capabilities to deal with a rapidly changing society, which is confirmed by Vernis et al. (2006:2) who state that “these organisations must be capable of truly leading and remodelling the complex world of social intervention”.

• Common traits of an NGO are identified by Dereje (2011:13), namely voluntarism, independence, acting not-for-profit and humanitarianism.

• The concept of development entails moving from an existing situation to a more desired situation; this is also referred to as “transformation”. This is confirmed by the International Broadcast Institute (1973), as cited in Moemeka (1989:3), which defines development as “the improvement of the wellbeing of the individual and the betterment of the equality of his or her life”.

• Social development is described by Bogopa (2005:109) as “the achievement of a process of personal growth and actualization, social justice and peace, human rights, political participation and social integration in social development, cultural rights, and respect for the beliefs of others”. There is a direct link between social and economic development which is confirmed by Bogopa (2005:109), who states that economic development is required for social development to take place and vice versa, thus acknowledging the interconnectedness.

• Sustainable development is about having enough for today and for tomorrow, which is confirmed by the report of the World Commission on Environment and Development (Brundtland, 1987:43), which defines sustainable
development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

- The concept of sustainable development emerged in the 1980s due to the demands for economic growth and the protection of the environment (UNIDO, 1998:3). Since then, the phenomena of sustainability and sustainable development have evolved at a national and international level. Sustainable development has taken the lead at an international level and many countries, including South Africa, have joined in taking leadership roles and using these policies and structures to develop national sustainable plans.

- Within the context of sustainable development the situation in South Africa can be linked to the modernisation theory, in that it refers to the transformation from a traditional to a modern society (Coetzee, in Coetzee et al., 2001:27). South Africa can be regarded to be in a transformation process, bringing it up to speed with the modern accomplishments of other societies; for example, putting processes in place to address the constantly changing needs in the country.

- Sustainable development revolves around three dimensions, as identified by McKinley (2004:77): society, economy and the environment and their interconnectedness. The interdependence model of sustainable development suggests that the desired level of development is when the “triple bottom line” between the three dimensions has been met, namely the economic, environmental and social dimensions (Sustainable Settlement in South Africa, 2002). This confirms the importance of all three dimensions for sustainable development.

- The role of NGOs is directly linked to the social dimension of sustainable development. NGOs focus on change through development that will contribute to socio-economic development and improving human wellbeing. According to McKinley (2004:103), the social dimension focuses on the structure and outcomes of relationships and social interactions.
Du Plessis and Landman (2002:10) further confirm that the social dimension requires “positive human development and provid[ing] people with opportunities for self-actualization and an acceptable quality of life”. This confirms the important contribution of NGOs to the social dimension of sustainability.

- Development issues in South Africa are being addressed by the development of effective policies and structures. Government is attempting to address these issues, although little change and improvement are visible. NGOs play an important role in development issues, especially in South Africa; this is confirmed by Hassan and Forhad (2013:59), who state that NGOs are claimed to have significant impacts on sustainable development in rural areas of developing countries.

- Government is unable to effectively address the community’s rapidly changing needs and is turning to NGOs as experts in the field of social development to assist with addressing social needs and problems. This is confirmed by Hassan and Forhad (2013:60), who state that the government has limited capacity to address society’s needs and that NGOs are playing a supportive role together with the government.

- The sustainability of an NGO depends on the relevance of its goals, its responsiveness to needs and its ability to mobilise resources (Abugre, 1994:129).

- Collaboration or partnerships between NGOs, business, government and civil society, and communities are emphasised in order for all the above-mentioned sectors to participate in and contribute effectively to sustainable development. Some sectors can assist others in areas where they are lacking, making it a win-win situation for both sectors; for example NGOs are experts in the field of social development but lack funds and businesses can provide funds but lack the expertise in the field, and in order for both sectors to participate in social development, a partnership can benefit both.
This is confirmed by Patel (2005:283) who states that the benefits of partnerships include enhancing service delivery through enlarged budgets, promoting transformation through sharing best practice, and utilising knowledge and experience.

- NGOs play an important role in developing communities’ capacities, which include skills, abilities, knowledge and assets, and act as capacity builders thus bringing about empowerment (Nikkhah & Redzuan, 2010:90). When people become fully empowered, they are able to contribute to sustainable development (Lyons et al., 2001, as cited in Nikkhah & Redzuan, 2010:90).

- NGOs will be supported and acknowledged if they let the community guide them in their service delivery. Communities must form part of and participate in the strategy formulation to address their own social problems. This is confirmed by Jelinek (2006:12) who states that NGOs that implement projects that are seen as irrelevant by the community are not trusted or supported.

4.3.2 Objective 2: Describe the funding challenges within the NGO sector

This objective was also discussed in Chapter Two. General funding issues within the NGO sector were identified and briefly discussed by reviewing available and relevant literature. The following conclusions were reached regarding funding issues within the NGO sector:

- NGOs need funds in order to render services to communities that focus on social wellbeing and upliftment. There will always be a need for funds due to the nature of these organisations, which is confirmed by Tandon (2001:56) who states that NGOs have historically relied on externally generated resources, as funding was provided by development aid groups.
• The constantly changing needs of society require NGOs to amend their programmes and activities. These amendments have cost implications that are often not budgeted for. Abugre (1994:128) states that NGOs have to deal with a lack of resources and the unpredictability of change.

• Although fundraising has become a profession, now referred to as “resource mobilisation”, (Codes of Good Practice for South African Non-profit Organisations, 1997), many NGOs are still in need of knowledgeable and skilled professional fundraisers but cannot afford them.

• NGOs need long-term committed investment from reliable donors instead of short-term donations. This is confirmed by Vernis et al. (2006:6), who state that people make a one-off contribution to NGOs instead of sustaining a continued commitment to them. The growing socio-economic challenges could possibly explain the absence of long-term reliable donors. The scarcity of available resources from new donors and/or funders makes access to funding more challenging.

• Because they desperately need funds to execute services, many NGOs agree to and comply with donor requirements even if this means that the goals of the organisation are directed into another path. In this regard, the Voluntary Independent Code for Non-profit Organisations in South Africa (2012) states that NGOs are becoming proactive as the custodians of community-driven development and are guided by their missions instead of by the agendas of funding sources.

• There is negative competition with regard to funding amongst NGOs who are focused on the same development issues. This is confirmed by Vernis et al. (2006:69) who state that NGOs choose to compete instead of partnering with each other.
An organisation will be able to formulate a better development strategy when it has considered a theory in order to establish its aims. The theory to be considered is Korten’s (1990) “four generation theory”. Without an effective strategy plan, NGOs will not be able to take ownership of their vision, mission and activities, which in turn will make them vulnerable to spending resources without making any impact.

Due to the growing and changing needs of communities, government requires more assistance from NGOs in order to address these needs. In this regard Vernis et al. (2006:4) state that “public administrations are increasingly turning to non-profit organisations to render some of their services, and this is a source of tension for non-profits”.

Receiving more demands from government to assist with addressing social needs becomes a funding challenge for NGOs, as they already lack sufficient funding for existing programmes and activities.

### 4.3.3 Objective 3: Identify the funding challenges within Bramley Children’s Home and the perceptions of management in this regard

This objective was discussed in Chapter Three, which focuses on the findings of the empirical study and was integrated with relevant literature from Chapter Two. The research reported on in Chapter Three included qualitative research gathered from questionnaires and semi-structured interviews. In this chapter, background information about Bramley Children’s Home, as case study, was provided with an outline of their vision, mission and the services that they render. The funding issues within Bramley Children’s Home were identified and briefly discussed, as well as the perceptions of management regarding sustainability of the organisation within the context of sustainable development.
4.3.3.1 *Fundraising*

- It was found that funding is seen as a common dilemma shared among NGOs, which is supported by the opinion of Vernis *et al.* (2006:59) that financial dependence will always be a fairly constant feature.

- Fundraising is used as a technique to raise funds. According to the Codes of Good Practice for South African Non-profit Organisations (1997) there has been a shift from volunteers or people who raise funds as a part-time job to professionals who undertake what is now referred to as “resource mobilisation”, which requires knowledge and skills.

- Sufficient funds have not been raised to reach the funding goals of the financial year 2012/2013, which means that there are not enough funds to support the current goals of Bramley Children’s Home. Thus, the financial situation can be described as “unstable” in that most of the activities rendered experience financial constraints.

- Marketing strategies are implemented to market the organisation with the goal of obtaining funding from donors or sponsors. Activities include marketing services through the website and social media, community awareness through the local radio station and newspaper, events such as charity golf days and ladies’ teas, bequests and proposals to corporate and private companies and grant applications.

- The main source of funding is government, which contributes 60%, followed by funding from corporate and/or CSI initiatives which amount to 20%. Self-generated funds and funds from civil society, both totalling 10%, make up the total funding of the Home. The findings indicate that the funding from these sources is insufficient.
• Two reasons are indicated for insufficient funds at Bramley Children’s Home: firstly, the increasing cost of living creates challenges in terms of meeting economic needs and covering expenses. Secondly, the available funding is used for day-to-day functioning but not for sustainability. Thus the available funding covers the immediate relief but is not adequate to plan for the long-term sustainability of the organisation.

4.3.3.2 Funding challenges

• At Bramley Children’s Home the lack of sustainable funding, the unpredictability of change, the limited expert capacity, the gap between government and NGOs and competition with other/similar NGOs are the main challenges regarding funding. The funding issues identified as the main challenges within the Home were identified in the literature review in Chapter Two (see 2.7) and confirmed in Chapter Three.

4.3.3.3 Effect of funding issues on organisational sustainability

• The assumption can be made that determining the sustainability of a NGO is a challenge due to the nature of its work. This could also apply to Bramley Children’s Home, but according to the findings, this organisation is goal-directed in striving towards being self-sustained. The organisation has an implementation plan in place and is well on the way towards achieving this goal, which actually contradicts the opinion of Hassan and Forhad (2013:60) that NGOs have no basis for sustainable development because they constantly face changing needs, poverty, unemployment and health issues.

• According to Korten’s (1990) theory as discussed under Objective 2, in terms of the services rendered by Bramley Children’s Home it can be considered to fall within the first-generation strategy by providing immediate relief, specifically to children in need of care and/or protection.
In terms of the Home striving towards becoming self-sustained, it takes on the third-generation strategy of developing sustainable systems. Management of the Home participates in policy development, liaising with government in creating sustainable systems in order to promote the rights of children and to care for those in need.

- Funding challenges affect the sustainability of an organisation and its role within sustainable development. Five ways in which the nature of funding affects the work of Bramley Children’s Home are: it limits the organisation’s adaptability to expand on much needed social services in the underserved communities; proper budget management is not possible; growing needs cannot be addressed; there is no sustainable income flow; and it limits the opportunities for the children.

4.3.3.4 Effect of funding issues on the community or wider society

- The social dimension of sustainable development is referred to as the “weakest pillar” of sustainable development by Lehtonen (2004:199), because normally not much attention is given to individuals and their individual development. Thus, this statement implies that more attention is given to the economic and environmental dimensions than the social dimension. All three dimensions are interconnected, and sustainable development cannot be achieved if one dimension is developed to the detriment of the others.

- If Bramley Children’s Home does not have sufficient funding to continue its services, this will have a negative impact on the community and wider society as children in need of care would become a greater social problem, there would be no caregivers for orphaned and vulnerable children, quality care for children in need would not be possible and children in protective care would not be given an opportunity to effectively recover from their negative experiences.
The holistic service rendered by Bramley Children’s Home plays a vital role in the process of human development, self-actualisation and the improvement of life for the 54 children currently living in the Home. By rendering this service to the community, the Home addresses the social problem of children in need of care and/or protection. This can be seen as a positive contribution to the social dimension of sustainable development. One can conclude that without the services of Bramley Children’s Home, there will be a negative impact on the social dimension of sustainable development; this in turn will contribute to the Home’s inability to reach the desired state of continued existence.

From the findings of the study, viewpoints of the respondents, concepts related to the theoretical argument and suggestions from the literature, general recommendations to address the funding challenges within Bramley Children’s Home are now presented.

4.4 RECOMMENDATIONS

In any organisation, also in the NGO context, all three dimensions of sustainable development (economic, environmental and social) should receive equal recognition in terms of their contribution to sustainable development. As stated under Objective 3, the social dimension is often referred to as the “weakest pillar”, as not much attention is given to the development of people (Lehtonen, 2004:199). Within the context of sustainable development, emphasis should be placed on the balance needed between the dimensions in order to promote the importance of the development of people. This can be done during national and international summits, workshops and meetings and be incorporated in policies and strategic plans for sustainable development.
Increasing financial security should be part of an NGO’s planning (Viravaidya & Hayssen, 2001:2). NGOs should choose the appropriate funding mix, just as they must determine which core activities and implementation strategies are most appropriate to their mission and goals (Viravaidya & Hayssen, 2001:2). Thus, the way in which an NGO becomes completely independent depends on its unique nature and context. In this regard the emphasis is on planning, therefore it is recommended that NGOs refer to the guidelines that the literature provides, for example Korten’s (1990) development theory, when strategic planning for the organisation is being done. Based on theory, the organisation can plan for the appropriate mix of strategies in order to obtain funding.

NGOs need to consider alternative solutions such as partnering with business in order to move towards sustainability. This is confirmed by the Codes of Good Practice for South African Non-profit Organisations (1997), which states that it has become almost impossible to support the work of organisations from donor income alone and that resources should be sought using many different directions and methods. Thus the problem of insufficient funding can be addressed by linking with the business sector, as alleviating poverty requires collaboration and coordination from both sectors (Damlamian, 2006:15). As indicated in the findings, Bramley Children’s Home receives a small portion of funding through corporate companies and CSI initiatives (Figure 1: Sources of funding). Through partnerships, the organisation and business can benefit in contributing towards sustainable development. Thus, Bramley Children’s Home may consider establishing partnerships with the business sector.

NGOs should become more proactive as the custodians of community-driven development and be guided by their missions instead of by the agendas of funding sources (Voluntary Independent Code for Non-profit Organisations in South Africa, 2012). Many NGOs are desperate for funding and comply with donor requirements even if it means that the goals of the organisation are directed into another path.
Bramley Children’s Home is guided by its mission, which clearly mentions caring for, protecting and empowering children as well as strengthening family life through developmental social work services (Child Welfare Tshwane Annual Report, 2013/14). The Home should continue to be guided by this mission and to engage with donors and in partnerships that will contribute to reaching the organisation’s goals.

- Good governance implies ensuring implementation of the NGO’s mandate, effective strategy and budgetary discipline, affirming core values, setting attainable standards, monitoring performance, being transparent and focusing on outcomes (Voluntary Independent Code for Non-profit Organisations in South Africa, 2012). The third Report on Governance in South Africa (King III) was introduced in 2009 as a set of guidelines, principles and explanations on how to implement good governance within companies and organisations (Draft Code of Governance Principles for South Africa, 2009). In order for the community to trust, support and recognise an organisation such as Bramley Children’s Home, good governance must be a priority. This should include the role, function and composition of board members, leadership, integrity and responsibility, accountability, managing stakeholder relationships and reporting (Draft Code of Governance Principles for South Africa, 2009). Thus, policies regarding good governance within organisations, for example the King III report, may be utilised within the existing governance structure of the Home for improvements or amendments.

4.5 CONCLUDING REMARKS

By identifying and focusing on specific funding challenges, the organisation itself (Bramley Children’s Home), similar NGOs, government and even businesses will obtain more information and clarity on related and associated issues than is currently the case. From this research, a clear marketing and funding strategy for the organisation came to the fore as being critically important.
South Africa is faced with overwhelming development challenges which include health issues, environmental degradation, unequal distribution of wealth, education problems, unemployment and poverty. Sustainability in all its dimensions must thus become strategically more and more important, nationally and globally. However, government and public services struggle to respond to these increasing needs while the vulnerability of disadvantaged and marginalised people grows. Against this background, the important role of the NGO sector in terms of general sustainability, service delivery and care, and a watchdog role over the marginalised, cannot be emphasised enough.

While recognising the important role of the NGO sector, the challenge of obtaining adequate funding to render services unfortunately remains a continuing concern, which also poses a threat to sustainability. This should encourage NGOs to put measures in place to strive towards the sustainability of the organisation.


APPENDIX A

RESEARCH CONSENT FORM

Survey on Funding as NGO challenge in the context of sustainable development: Bramley Children’s Home, Pretoria

We would like to take the opportunity to thank you for agreeing to participate in the above-mentioned survey. Participation is completely voluntary. It may be discontinued at any time for any reason without explanation and without penalty.

For your information:

- There is no known harm associated with participating in this research.
- All individual and company records and notes of participators' responses will be kept strictly confidential; only the researcher will have access to this information.
- The results from this study may be published in the form of a research report and academic/professional journal papers.
- Information about the project will not be made public in any way that identifies any individual or company.

I have read the above information and I understand that I can ask questions or withdraw at any time. I consent to participate in this research study.
QUESTIONNAIRE/ INTERVIEW SCHEDULE FOR BRAMLEY CHILDREN’S HOME

The series of questions in this questionnaire are designed to obtain organisational responses on funding as NGO challenge in the context of sustainable development.

Please answer the questions that follow by ticking the appropriate option (if provided) or writing unrestrictedly for open-ended questions. Please answer all questions freely but objectively.

The information is for academic purposes only and will be treated with the strictest confidentiality (also see Consent Form). Ethical clearance has been granted by the Ethics Committee of the Faculty of Arts at the North West University (Potchefstroom Campus) for the execution of this study (Ethical number: NWU-00203-13-S7).

Thank you

Yolandi Venter
(Masters in Management and Development Candidate)
1. The following questions focus on identifying the funding challenges in Bramley Children’s Home:

Do you see funding as a common dilemma in the NGO sector?
☐ Yes
☐ No

Does your organisation have a strategy to generate funds?
☐ Yes
☐ No

Did your organisation raise enough money to reach its funding goals last year?
☐ Yes
☐ No

Compared to last year, are your funding goals higher, lower or remain the same?
☐ A great deal higher
☐ Quite a bit higher
☐ Somewhat higher
☐ About the same
☐ Somewhat lower
☐ Quite a bit lower
☐ A great deal lower

How would you evaluate the financial status of your organisation currently? (Tick only one option)
☐ Very good (“Don't experience any serious financial problems”)  
☐ Good enough (“There is enough funding to support the main activities, but some programmes are lacking financing”)  
☐ Unstable (“Most of the organisation’s projects experience financial difficulties”)
□ Poor (“Organisation’s basic activities can hardly be maintained”)
□ Very poor (“Don’t receive any funding”)

**Does the organisation generate enough funds to support its current goals?**
□ Yes
□ No

**What is the possibility of expanding your services in terms of activities and programmes to meet the changing needs within Bramley Children's Home?**
□ Very good
□ Good
□ Not good
□ No possibility at all

**How far is your organisation from being self-sustainable?**
□ Very near to being self-sustainable (85%)
□ Near to being self-sustainable (70%)
□ Halfway to being self-sustainable (50%)
□ Not near to being self-sustainable (30%)
□ Nowhere near being self-sustainable (15%)

**What does your organisation do to raise money?**
___________________________________________________________________
___________________________________________________________________
___________________________________________________________________

**When you apply for funding, how much of the time are you successful?**
*Please indicate in terms of percentages.*
Please indicate percentage-wise how much of your funding comes from the following sources:
1. Government _____________________%
2. Self-generated funds _______________%
3. Corporate/CSI initiatives _____________%
4. Civil society _________________________%
5. Other (specify) __________________________________________________________

Is the total amount received from these sources adequate?
☐ Yes
☐ No

Please elaborate on the above answer.
______________________________________________________________________________
______________________________________________________________________________

What are the biggest funding challenges your organisation is facing now? Please choose the top five most acute problems and rank them from 1 (Highest) to 5 (Lowest).

<table>
<thead>
<tr>
<th>Funding challenge</th>
<th>Rank from 1 to 5, highest to lowest challenge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving a once-off donation instead of long-term commitment</td>
<td></td>
</tr>
<tr>
<td>Lack of sustained resources that provide funding</td>
<td></td>
</tr>
<tr>
<td>Unpredictability of change and circumstances cause the need for intervention which is not funded</td>
<td></td>
</tr>
<tr>
<td>NGOs are not valued or seen as important by the public for the service they deliver and therefore don’t receive sufficient funding</td>
<td></td>
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<tr>
<td>Donors/funders have unreasonable requirements and expectations</td>
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</table>
Lack of knowledge/expertise to apply for funding successfully
Limited capacity; can't afford experts to obtain more funds
A gap exists between the corporate and NGO sector as they don’t find each other
A gap exist between the Government and NGO sector as they don’t find each other
Competition with other/similar NGOs

Do you regard other NGOs as threats in terms of applying for funding?
☐ Yes
☐ No

Do you feel that current donors dictate the scope and directions of programmes?
☐ Yes
☐ No

What are some of the most prevailing funding challenges in your organisation?
___________________________________________________________________
___________________________________________________________________
___________________________________________

Please choose the best option that describes your goal for Bramley Children’s Home.
☐ Strive to become completely independent from donors
☐ Focus on “self-generated” funds to support overhead costs
☐ Remain relying on grants and funding
Please indicate if you regard the statement below as true or false:
The constant changes of needs in the country contribute to the government’s inability to address social needs adequately.
☐ True
☐ False

Do you think it is an NGO’s role to assist the government with addressing social issues?
☐ Yes
☐ No

Do you think that NGOs are the bridge between society’s needs and the government?
☐ Yes
☐ No

2. The following questions focus on management’s perception of the effect that insufficient funds have on the organisation:

How does the nature of funding affect the work of your organisation?
___________________________________________________________________
___________________________________________________________________
___________________________________________________________________

If current funding is not enough or barely enough to fund main activities, how do you plan to expand or improve on your activities in order to address changing needs?
___________________________________________________________________
___________________________________________________________________
___________________________________________________________________

How do you plan for sustainability of the organisation with the uncertainty of obtaining available funds?

________________________________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________________________________

3. The following questions focus on management’s perception of the effect that insufficient funds of the organisation would have on the community/society (sustainability).

What would be the effect on the community/society if Bramley Children’s Home did not have sufficient funds to continue its services?

________________________________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________________________________

________________________________________________________________________________________________________________________________________________