



DECENTRALIZATION OF NGOS: TOWARD FEDERATION

Definition

Decentralization is the process of transferring administrative powers from a central authority to regional or local offices.¹ The process is intended to improve NGO operations by making them more efficient, responsive, and adaptable. Decentralization typically can be described as taking three forms:²

- Localization – where representatives of the central authority are relocated from the headquarters to regional or local offices. Some management and financial responsibilities are similarly redistributed, but broader authority remains centralized.
- Delegation – where management and financial responsibilities are transferred to semi-autonomous regional or local offices.
- Devolution – where administrative responsibilities and authority are relinquished by the central authority to autonomous regional or local offices. This form can lead to federation, in which an organization's administrative powers are constitutionally divided between the central authority and regional or local authorities, the latter having extensive authority over their own operations and finances.

Key insights

INGOs are increasingly shifting toward a more decentralized, local control

Following the trend toward decentralization, the governance structures of INGOs will become increasingly federalized. Though there will be a scale of decentralization, many INGOs will establish autonomous, locally based organizations that are integrated into networks for the delivery of programs and advocacy.

The humanitarian sector will shift away from the historical Western-centric model

Delegation and federalization will reduce the cultural dominance of the West over the actors in the humanitarian sector, as more power and decision-making is divested to local decision makers.

Changes by 2030

¹ [Oxford Dictionary](#) (2017), retrieved on 25 April 2017

² The World Bank, [Administrative Decentralization](#), retrieved on 21 November 2019 and Wamai, R. G. (2008) [Reforming Health Systems: The Role of NGOs in Decentralization: Lessons from Kenya and Ethiopia](#). International Society for Third-Sector Research (ISTR), Baltimore, pg 1

➤ **International NGOs become more decentralized**

In the humanitarian sector, decentralization is regarded as a strategy to transfer administrative responsibility and authority from the central headquarters closer to areas of operations. Depending on the level of decentralization (localization, delegation, or devolution), it also corresponds to a shift in the power structure, with decision-making responsibility resting less and less at headquarter level. The concept has gained increasing prominence in civil society over several decades. For example, as the health status of populations changed and the capabilities of health services worldwide evolved, the types of institutions the WHO engaged with and their activities changed as well.³ Based on this, the WHO and the United Nations Children’s Fund (UNICEF) organized and sponsored the International Conference on Primary Health Care System, in 1978 at Alma-Ata (USSR).⁴ That event called for reform, especially regarding decentralization. In a decentralized system, decision makers are physically present in the program area, the advantages of which include more targeted responses, faster funding turnaround, improved policy formulation, greater exploitation of comparative advantages, enhanced coordination, and less bureaucracy.⁵ Despite these advantages, however, INGOs have been slow to move beyond localization and to transfer decision-making power or management to local staff. As Devex president and editor-in-chief Raj Kumar says,⁶ “Localization is the kind of issue that everybody agrees with in development but not everybody agrees on the ‘how.’”⁷

The advantages of decentralization, along with continuing pressure to localize responses,⁸ means the challenges of doing so will likely be overcome, leading to the adoption of more decentralized and even federated organizational structures for INGOs.⁹

➤ **Decentralization leads to the de-Westernization of civil society**

NGOs operate in an ever-changing global context. New great powers are rising around the world. There has been rapid growth in the demographic, scientific, economic, and military power of China and other regional leaders. South-South partnerships are commonplace. For example, in Latin America over the past decade, the Trade Union Confederation of the Americas (TUCA) has been building a regional proposal for workers’ rights and working conditions called “The Development Platform for the Americas” (PLADA), which struggles in the Americas against neoliberal policies. Many civil society organizations, such as Friends of the Earth, Via Campesina, and the World March of Women, have been helping to define PLADA pillars.¹⁰ The growing strength of initiatives stemming from the countries and regions of humanitarian operations will challenge the dominance of Western modalities of operations and funding. As is evidenced by some partnerships, in

³ World Health Organization, (1978) [Declaration of Alma-Ata: International Conference on Primary Health Care](#), Alma-Ata, USSR, 6–12 September 1978

⁴ World Health Organization, (1978) [Declaration of Alma-Ata: International Conference on Primary Health Care](#), Alma-Ata, USSR, 6–12 September 1978, pg 12

⁵ Fowler, A. (1992) Decentralisation for International NGOs, *Development in Practice* 2(2), pgs 121–124

⁶ Global Finance Strategies (2015), *Going Local: The Promise and Challenge of Aid Localization*, retrieved 25 April 2017

⁷ Global Finance Strategies (2015) *Going Local: The Promise and Challenge of Aid Localization*, Retrieved 25 April 2017

⁸ The Global Humanitarian Platform (2007) [Principles of Partnership A Statement of Commitment](#), 12 July 2007

⁹ Grant, S. (2000) Role of Civil Society CBOs/NGOs in Decentralized Governance, *Asian Review of Public Administration* 12 (1), January–June 2000, pg 18

¹⁰ Kjeld, J. (2014) [Development Platform of the Americas: Unions Defining their own Development Model](#), in [The Reality of Aid 2014](#), pgs 103–104, pg 104

which initiatives between Northern-Southern actors are not fruitful,¹¹ engagement between partners is critical but sometimes insufficient if national dynamics are not adequately accounted for and as a result the efficiencies of decentralization cannot be realized.

The formal humanitarian sector has been imbued with the values and even the organizational framework of its donors in Europe and North America since its inception.¹² However, to be in line with new international realities, this model needs to evolve and adapt. One of the advantages of INGOs adopting federation structures is that they could draw on global support where required but concurrently be more tuned in to the local social, economic, and political dynamics.

Tomorrow is already here

Decentralization of INGOs has been ongoing since the 1980s. Though progress is slow, the process is accelerating and more authority is being devolved. Recently, ActionAid and Oxfam relocated their headquarters from the UK to Africa,¹³ and Amnesty International is expected to follow suit. The executive director of Oxfam International, Winnie Byanyima, says it's "less about a move south and more about a move global. It's about spreading ourselves around the world and locating ourselves where the struggles are."¹⁴

¹¹ Swapan Mahmud, A. and Akter, F. (2014) [Redefining Partnership: The Need for a Holistic Approach for Effective Development Partnership in Bangladesh](#), in *The Reality of Aid 2014*, pgs 125–129, pg 127

¹² Micheletti, P. (2010) [We Need to De-Westernize International Non-Governmental Humanitarian Aid](#), The Security Management Initiative (SMI)

¹³ Moorhead, J. and Clarke, J. S. (2015) [Big NGOs Prepare to Move South, But Will It Make a Difference?](#), *The Guardian*, 16 November 2015

¹⁴ Moorhead, J. and Clarke, J. S. (2015) [Big NGOs Prepare to Move South, But Will It Make a Difference?](#), *The Guardian*, 16 November 2015