

Civil Society, Sustainable Development and Self-Reliance Strategies

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With the intensification of the impact of the economic crisis, a growing number of civil society institutions in the Palestinian Arab community in Israel are discovering that the near future holds serious risks that in some cases threaten their very existence.

This phenomenon is not confined to Palestinian institutions in Israel, but rather it is a global occurrence. A large number of civil society institutions in the world have ceased to exist in recent months, and an additional number of others will, unfortunately, face the same fate soon. I say "unfortunately" because of the futile loss of accumulated experience and resources, particularly in countries where they are desperately needed.

While expressing this regret, the chance to critique the experience and to transform the crisis into a golden opportunity for self-accountability cannot be foregone. This does not reflect the discourse of traditional capitalist theory defined by "survival of the fittest" and other market laws, but rather reflects a deep realization that learning from the crisis and drawing the correct conclusions is absolutely necessary for building a sufficiently stable, consistent and sustainable local civil society.

For purposes of transparency, I would like to remind readers that for a period of twelve years, until the end of 2007, I was the director of the Galilee Society; one of the oldest and largest Palestinian civil society institutions in Israel. Many of the ideas and suggestions put forth are the natural result of the enormous experience (with its achievements and failures) I have acquired through my leadership of a large development institution. It is also worth noting that I discussed many of the ideas that follow at a workshop held by Ittijah for civil society activists last year.

Introduction: Between the local and national

While this article is written in the context of the global economic crisis, the topic being studied here should also be examined, in and of itself and apart from the difficult times currently facing the world. This task is done in order to develop the research on solid foundations by relying on a clear vision and agenda for Palestinian civil society, based on choices and self-convictions irrespective of external dictates (whether they are the consequences of the crisis, or other pressure factors such as sources of funding).

Over the past two decades, pursuant to the Israeli Law of Associations - 1980, an unprecedented number of formal civil organizations have been formed. These institutions can be divided into two groups according to their objectives: those working according to a local agenda such as within a village, city or region and those working nationally to achieve collective objectives. This designation is not the best or the only way to categorize the civil action institutions, however, it serves the purpose of the research.

Usually, local organizations work for development and advancement, serving a target group that may be the entire local population or a specific sub-sector (youth, women, patients or

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those with special needs) or a particular community with religious or social mandates. A characteristic of these institutions, particularly those that do not receive fees from governmental bodies for specializing in therapeutic or educational services, is that they continue to rely on various forms of voluntary work and a close relationship with their respective target groups. More importantly, these institutions' expenses are few and controlled, allowing them more financial independence with the capacity to consistently provide the modest resources required for their work.

The irony is that in many cases, local organizations strive to become national organizations, aspiring to have fundraisers and projects funded from abroad with the associated travel and reciprocal visits, etc. In fact, generally, national organizations have a lot to learn from small local organizations, as will be shown later.

National organizations have developed rapidly in recent years. These organizations are entirely dependent on external support from governmental sources (the European Union and the various embassies or ministries of foreign affairs or development), private funding agencies that support development and human rights, or Jewish sources interested in Israel in general that direct some support to the Arab community to serve their stated objectives of supporting and strengthening Israel as a democratic and Jewish state.

Essence of the crisis and the relationship with funding sources

The cause of the civil society organizations crisis in Israel and in the world as a whole and particularly in what are generally referred to as South or poor countries, is the complete dependence on external funding. The main concern of the organization has become providing sufficient sources of income for the continuation of its work, namely, the preservation of the staff and the large administrative expenses associated with employee retention throughout the years. The organization finds itself competing for funds, trying to employ the best fundraisers and being creative in devising programs that correspond to the funders' priorities. To a large extent (to avoid generalizing), assessment of institutions and their conceived esteem and their social impact are based on financial strength and their relationships with their respective funding sources rather than the realized benefit of implementing their specific objectives.

This engagement in securing external financial sources simply to survive has made institutions neglect fundamental central issues that form the ethical and value basis from which they derive their legitimacy. Moreover, most of the serious Palestinian civil institutions in Israel utterly depend on external sources, which at present expose them to serious predicaments due to the global economic crisis and the subsequent dwindling of funding sources.

As noted, this is a global phenomenon and not specific to Palestinians in Israel; from a historical perspective, it is summed up in that in most cases the vast and generous support received by civil society in nations of the South from sources in the North did not result in the reinforcement and independence of this society, but rather the regeneration of their total dependence on the sources in the North and the gradual decline in influence and legitimacy stemming from their own society and people.

There has been increasing international attention to the conflict in the Middle East, especially after the Oslo agreements and then the start of the "war on terror." As a result, the taps of support for civil institutions in the area were opened in service of the new agendas, namely to

promote economic and social development and to support moderates in the face of extremism, particularly Islamic extremism.

These generous funds were graciously welcomed; the systems were enlarged, expenses increased, particularly the administrative and operating expenses. In parallel, there was an increase in travel and international conferences with their associated hotel stays and leisure. Despite the flurry of activity, far from real results were achieved, as there was a lack transparency or any real popular or official accountability. Worse still, the relationship of the funder with the beneficiary has been distorted and disrupted to the point where things have become muddled, sometimes close to corruption and a squandering of resources.

What is the alternative and what is the future of civil action?

Briefly, the alternative way is to develop a work strategy that ensures sustainability and independence of the institution through diversification and distribution of the external sources, and development of income generating activities to create an institution that is capable of relying on itself (self-reliant). Is this goal achievable, or is it a slogan without any capital?

Global experiences show that achieving this goal is possible if the entire institution, its members, administrators and staff are fully convinced and dedicated to transforming the institution into a self-reliant one. This method applies to all institutions without exception, including human rights organizations, where the situation at first glance appears almost impossible. This transformation process is not an easy task; the road is difficult and arduous. Surely the writing of another project proposal for an old or new fund is much easier. Regrettably, it is often the first default option for the majority of Palestinian civil society institutions.

Summary

In summarizing this diagnostic section, the problem of the majority of civil action institutions as a result of the global financial crisis is highlighted and the issue of the relationship of these institutions with foreign funding sources and the utter dependence on them for their mere existence is raised. One can point to the dependence of the two sides on each other and the rise of mutual interest of both in reproducing this interdependence, which is contrary to the most basic principles of sustainable development. Sustainable development aims for the independence of the funded organization after a reasonable period of time.

I propose an alternative perspective for the development of civil society institutions to make them more independent, self-reliant and less attached to external sources of funding, which necessarily means more stability and consistency, and in my view, more self-confident in carrying out their programs and achieving their objectives. I have made it clear that this means the transformation of the institutions, regardless of their objectives or areas of work, into income-generating institutions.

The transformation process into an income-generating institution

The transformation process is divided into several phases and hereafter I will detail a manual

or guide explaining the necessary steps and activities to be done for each institution that decides to transform into an income-generating entity.

1. Fundamental and Important Decision

The institution must conduct a comprehensive analysis and discussion of all aspects of the issue, with the participation of the institution's stakeholders including administration and elected bodies, as well as staff. The transformation process begins with a fundamental and important decision stemming from the institution's conviction as to the importance and necessity of the transformation process, which is in the best interest of the institution and will enable it to continue its course towards achieving its objectives.

2. Comprehensive study of the institution and its working environment

This study is an initial step; it can not be dispensed with, and is similar to any study conducted prior to commencing any economic project. Usually, such a study includes the following:

- A. Examination and clarification of the strengths and relative preferences of the institution in comparison with the weaknesses;
- B. Identification of the risks and opportunities through market research and defining the target group and competitors;
- C. Preparation of a work plan or mini-business plan; this is the most important step at this stage, and must include a feasibility study and identification of products (these may be actual, tangible products such as books, embroidery, etc., or services such as training and educational courses) to determine the prices and the optimal methods of marketing while proposing criteria for success, failure, and methods of monitoring and inspection.

3. Completing the transformation process

After the completion of the first two phases, the real challenge for the institution begins with the successful implementation of the plan. Implementation cannot be achieved without a process of profound transformation of the institution's mentality, culture, working methods and control from a non-profit institution into an income-generating one. This process is long and complex and requires training and continuous reassessment. .

Inevitably, the question of the resources needed and where the institution can find additional resources to invest in the implementation of this transformation will arise. The question is addressed briefly in order to avoid the futile discussion of whether the chicken or the egg came first. The institution should involve all or some of the more interested funders, and request earmarking or funding for a special project. The required funding is relatively small and is an investment in the right direction from the donors' perspective.

4. Strategies and mechanisms for generating income

In my analysis, I differentiate between two types of institutions:

First kind of institution that I discuss are, service institutions. These are non-profit organizations that exist to provide a service in return for a small direct fee, such as:

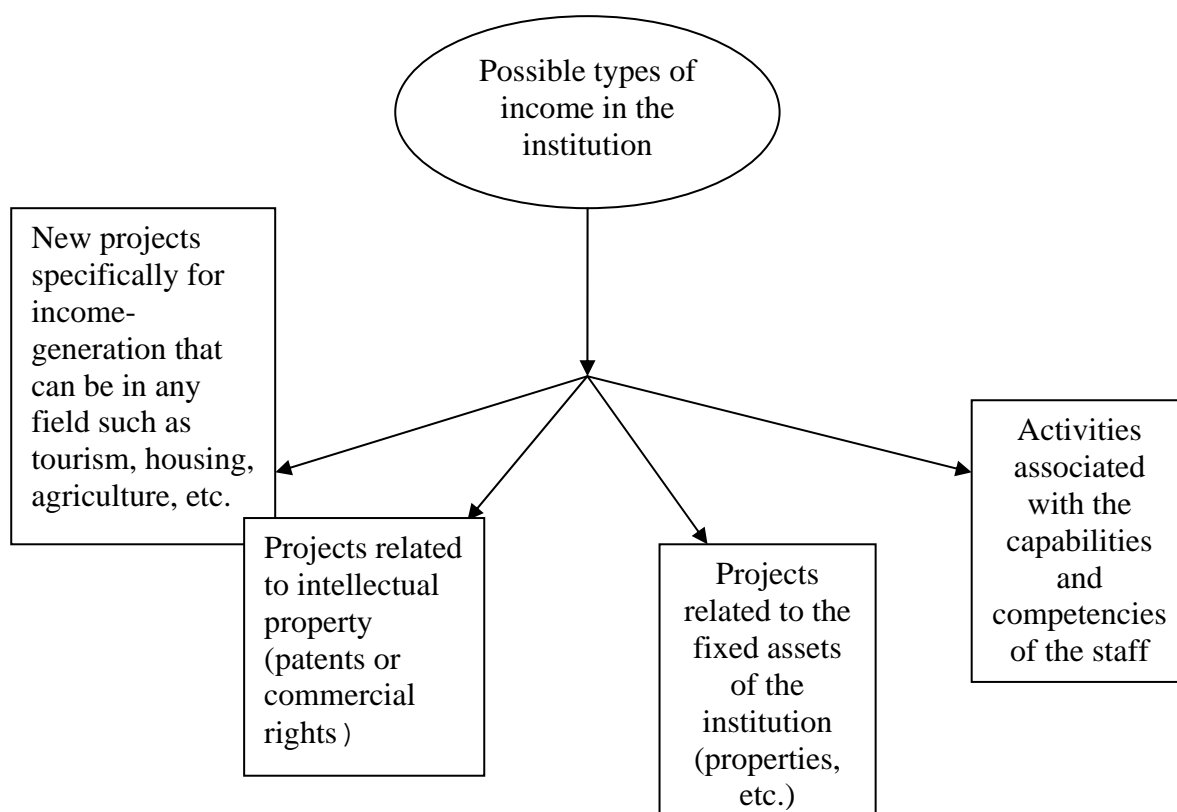
therapeutic institutions, elderly and disabled homes and educational institutions. Although these institutions receive external support, they mainly depend on the revenue from their work, which is not the subject of this intervention, even though the overseers can also benefit from this discussion.

The second kind of institution that I am concerned about are institutions with social, humanitarian and rights objectives that aspire to be a means or an agent of social and political change. These institutions' ethical references are often international declarations and international human rights conventions.. These institutions derive their credibility from their ability to serve their communities and target groups that were identified sincerely and effectively, as well as with transparency and accountability from its members and society in general. These institutions largely depend on the support of foreign foundations and bodies, and should be interested in transforming into income-generating institutions.

Within these institutions, we distinguish between three types of income generation that could be considered:

- A. Income associated with the regular programs of the institution, such as courses or study participation fees, publication sales, etc. This income is very important yet is often belittled for its small size but it must be categorized and highlighted in the financial statements as self-income. There is always something that can be done to increase this income and make its collection more efficient.
- B. Contributions from the local community, such as cash donations as well as voluntary work. In this regard there is much to be done and a lot to be learned from small charitable institutions. The sustainability of the work of these institutions depends entirely on their ability to recruit local support, regardless of the community's economic status. There are institutions that have been successful in raising local resources in the world's poorest countries. This issue requires the will and awareness of the institution's leaders and, more importantly, the institution's relationship with its community and its ability to acquire its confidence and support. Unfortunately, in many cases, the overseers of these institutions prefer writing project funding proposals and submitting them to foreign foundations over the "headache" associated with raising local resources because this puts the institution's credibility and its relationship with its public under scrutiny.
- C. Income generation through programs, activities or the sale of products and services that are carried out specifically for income generation of the institution.

Here, one can summarize the quality of these activities in the following model:



In conclusion, identifying the income-generating project is only the beginning; there are many legal, organizational and ethical aspects to be taken into account in the implementation, apart from the economic considerations, which are the principal factors in the private sector..