

How is Argentina's voluntary sector weathering the political crisis? Association of Charitable Foundations Chief Executive Nigel Siederer visited in March.

Eighteen lanes of traffic whiz up and down the largest avenue in the world, Buenos Aires's Avenida 9 de Julio. At its centre, a sheer giant pristine white obelisk puts the billboards, the neon, and the obligatory McDonalds into their proper perspective. The magnificent vista is interrupted, two-thirds along, by a dirty eight storey office block, jutting across four traffic lanes and topped by a ridiculous four-legged red-and-white radio mast poking just above the line of the main buildings. This is no family hardware store holding out against the planners. It is Argentina's Ministry of Health and Social Action. A literal monument to political obtrusion, it contrasts starkly both with the immediate surroundings and the tasteful presidential palace (complete with Evita balcony).

Inside, dangerously open electrical boxes trail along the wood panelling at ceiling height. But in this hi-tech city, the electricity works perfectly. My Powerpoint presentation, faultlessly translated into Spanish, is passed from laptop to big screen. I and 60 government officials are connected together by two interpreters, earphones, and mikes, with all loose leads safely taped to the floor. Brought together by CENOC, the Centro Nacional de Organizaciones de la Comunidad – despite its name a government agency roughly equivalent to our Home Office Active Community Unit - the officials are all responsible for voluntary sector funding across an impressive range of government departments, covering social welfare, education, environment, responsibility for the indigenous population, and much more. They want to know how things are done in the UK, about the Compact, grants, and contracting. All are political appointees and, because of Argentina's political turmoil, most are relatively new. The newest is CENOC's Head, Beatriz Orłowski, entering her second week. Earlier, I had asked her how many voluntary organisations there are in Argentina. She said a Government database had 7500, which she recognised as incomplete, especially in the provinces outside the Capital. There are no incentives for voluntary organisations to register, as they gain no tax concessions, perhaps not that serious an omission as vol orgs no doubt participate in Argentina's national sport of tax avoidance.

My message, repeated later to a Committee of MPs, the standing Legislative Commission on Mutuals and NGOs, has several themes. The UK Government encourages civil society and provides about 30% of voluntary sector funding through grants and contracts. Sector activity enables things to happen which government can't (or doesn't want) to do, helps services to reach disadvantaged groups that government cannot reach, and facilitates experiments and research. But the sector will never be large enough to replace government responsibilities, which have access to income from taxation that will always be many times greater. And service users have the right to good standards of service whether the provider is a government body, or a voluntary private one. The questions, particularly from the MPs, were searching. Given the need to build social businesses, why don't we include mutuals and co-operatives in what we normally count within the voluntary sector? Is the Compact useful? Don't tax concessions just transfer political choices and responsibility to NGOs and their non-government donors? This last question was, I think, hinting at a fear of increasing even further the influence of the Church-dominated Caritas organisation, the Church-state balance, though apparently not much discussed; being rather different from the UK and a complicating factor in the development of civil society.

At the Legislative Commission, silent advisers lined the walls. I was told that the culture of MPs and ministers employing large numbers of advisers is endemic, the numbers apparently

being typically many times larger than those that have been so controversial in the UK. If there was a politically neutral civil service, it was invisible as well as silent.

The political crisis was discussed everywhere. Argentina's political establishment was ordinarily mistrusted, assumed to be inefficient and corrupt, spending money on the machinery and trapping of government rather than services, and appointing relatives and cronies to key posts. It was also held to be complicit in the non-payment of taxes, by failing to establish adequate means of collection. At the time President Eduardo Duhalde was admitting as much at an international conference in Mexico, where he acknowledged failures to control public spending and corruption. The IMF had frozen aid in response to the Argentine Government's defaulting on public debt and devaluing its currency. The breakdown in trust was reflected among ordinary people. The 60% devaluation of the peso was perceived as wrecking personal savings. Small businesses were going bust. Property blocks were widely on sale, probably with little hope of a buyer. Yet there was no air of depression. The streets and shops bustled. The traffic, about a quarter of it taxis in a city with good public transport, ran fast and free, halted occasionally by a demonstration. Mobile phones and computers buzzed and beeped.

The main purpose of my visit, hosted by the British Embassy, was to link up with the Grupo de Fundaciones (GDF), the counterpart of the organisation that I run in the UK, the Association of Charitable Foundations (ACF). I had wondered what advice I could offer. The foundations' endowments were surely undermined by the economic crisis, and the government had understandably banned movements of assets offshore. In fact, only one foundation was funded by investment income, its assets held safely in Switzerland, and USA's W K Kellogg Foundation was also active. All other grant-makers were established in the corporate sector, the relationship with parent company varying along a scale from largely independent to totally controlled. The GDF had existed in embryonic form for several years, but was recently constituted with 12 formal members (compared with ACF's 300), but has a hinterland of several dozen more, many of which came along to hear me describe ACF's work. Argentine grant-making, though smaller in scale, follows a recognisable pattern, with the same dilemmas as in the UK, about methods and quality of assessment and evaluation, transparency and the benefits/dangers of a high profile, and the relationship with government. The GDF's staff, led by Executive Director Fernando Esnaola, were a group as professional as our own, and quizzed me intelligently and non-stop in the long session we spent together. Later, the GDF's Chairman, Salvador Carbó (also Chair of the Fundación Bunge y Born) and I spoke jointly to the Foro del Sector Social, and NCVO-type umbrella organisation, though without NCVO's open approach to membership. There had been few meetings of this type; grant-seeker/grant-maker dialogue is apparently a new phenomenon.

This is a federal country (23 provinces) whose Capital contains around a third of the population of 37 million. At La Plata, thirty km from Buenos Aires and capital of the BA province (which excludes BA itself), I met FOCBA, the Federation of Community Organisations of Buenos Aires and the organisation that holds its rotating chair, Accion No Asistencial (whose title translates, I think, as Non-welfare action, with political undertones). In one of those typically Argentine connections, ANA's Chair Amalia Cafiero is married to Mario Cafiero, who chairs the parliament's Legislative Commission on NGOs. Each is a skilled politician, but you can just imagine the view taken by the mistrustful populace.

The activity of the organisations at the packed FOCBA meeting was impressive. There were groups working on homelessness, AIDS, learning difficulties, women's issues, and food distribution in shanty towns. The income base of the sector is lower, but several organisations

had clearly been creative in developing sustainable sources of income. The liveliness of these meetings suggests a level of activity at least as great as in the UK, though perhaps without so many large charities (Caritas apart) or as much national co-ordination. It wouldn't be surprising if CENOC's 7500 database turned out to be underpopulated by 80 to 90%.

With personal and foundation giving underdeveloped, a mistrusted and unstable government machine, and an active commercial sector, a key challenge is to develop corporate giving. Could I speak about this? Some notes put together in the UK proved worth much more than the hurried time I spent on them. What I thought would be an informal student seminar turned into a formal lecture billed as 'Effective Management of Corporate Giving'. To make matters worse, some of the 100-strong audience had heard Harvard academic Jim Austin speak on the same theme three days earlier. Though I'm a practitioner and this isn't my main area of practice, I was able to run through examples of corporate social responsibility from fine arts and conference sponsorship, through supermarket donations for school prizes and playground equipment, seconded staff, employee volunteering, cleaning the environment, and donations of surplus (but not obsolete) equipment and supplies. I also reported on some experience recently learned secondhand from the Canadian Centre for Philanthropy. My message, which turned out to be gratifyingly similar to Professor Austin's, was to strike a bargain on the basis that the company benefits from improved image, customer loyalty, more broadminded and lateral thinking management, and quality of employee skills. I was shocked to discover that I had spoken for an hour with (I think) little repetition, but the audience stayed to pour intelligent questions for another 30 minutes.

Both these sessions were put together by under the umbrella of a school of non-profit sector studies jointly run by the Centre of Studies of State and Society, and the San Andrés and Torcuato di Tella Universities. The main course, led by Dr Gabriel Berger, is now in its fifth year, with an annual intake of 45. Dr Berger and his colleagues are keenly interested in research and in non-profit sector tools. In truth they can probably show us a thing or two. (Can you imagine three UK universities co-operating to run such a course?)

Apart from corporate giving, a common theme in the questioning was about the Compact. My message: the Compact is a sign of goodwill and negotiations are worthwhile at national and local levels, but good government-voluntary sector relations depend on political stability, and even in the UK the jury is still out about whether it will really change government practice.

Would UK donors (foundations included) give funds to Argentina? I had to give the bad news that, though some of the UK's international NGOs do work there, Argentina does not rank among the world's poorest countries. Even donor organisations that work in South American countries – and most prefer Africa, the Caribbean or the Indian sub-continent – tend to opt for Peru or Ecuador, with higher levels of poverty. This prompted wry acceptance. "We know we're not at third world levels yet, despite the efforts of our politicians", was one comment. Technical assistance and exchanges are a different matter, and there is much room for learning, by no means all one-way.

Despite the depression caused by the political crisis, Buenos Aires has a vibrant feel. My Embassy hosts clearly loved working there. Commerce is worried but alive. The voluntary sector is enthusiastic. Even their running joke about Argentine unpunctuality didn't prove true. They weren't severely late, indeed sometimes unexpectedly early, and the high attendances did the organisations credit. (Can an unknown UK voluntary sector functionary be that much of a draw?) I had to remind them that five changes of presidency in a few weeks is itself a sign of democratic health, that the economy had obviously not collapsed and the

crisis could be expected to bottom out, and that the dollar-pound exchange rate had fallen by two thirds in 40 years, once very dramatically, without absolute catastrophe in the UK.

But the Argentine political crisis is deep, and perhaps the real economic storm has yet to break. A new political culture has to be settled, to tackle the image and reality of state wastefulness, persuade citizens to pay taxes in return for good public services, and to work out the respective roles of the state, commercial and voluntary –first, second and third - sectors. Of these, only the first sector is in real crisis. The second and third, both much healthier, need encouragement to talk to each other.

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