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Who Gives, Who Receives, and Who Wins?

Transforming Capital Into Political Change Through Nongovernmental Organizations

David S. Brown

University of Colorado, Boulder

J. Christopher Brown

University of Kansas, Lawrence

Scott W. Desposato

University of California, San Diego

How does international support for nongovernmental organizations (NGOs) lead to political change in the developing world? Massive amounts of domestic government spending and international aid are now distributed through NGOs instead of state bureaucracies. Recent scholarship suggests that this decentralization of developmental aid to NGOs has unintended political effects on recipient communities, but the mechanisms driving political effects are unclear. In this article, the authors test whether NGO type affects the results of NGO aid, comparing the political impact of politicized and nonpoliticized NGOs. They do not find any difference between politicized and nonpoliticized NGOs. The results imply that to create political change, ideological predispositions held by individual NGOs are less important than is their ability to raise the level of social capital and civil society. Simply providing the infrastructure necessary to develop social capital and civil society can have a measurable political impact.

Keywords: *NGO; development; social capital; politics*

Nongovernmental organizations (NGOs) continue to increase in number, size, and scope. Today's headlines speak to the increasing role they play in international politics, domestic politics, and economic development.

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In Afghanistan, Iraq, and Southeast Asia, NGOs are involved in everything from the provision of basic needs to the organization of civil society. According to early estimates, the number of international NGOs (those that operate in more than one country) has grown from 176 in 1909 to 28,900 in 1993 (Hulme & Edwards, 1997, p. 4). Some now estimate that more aid to developing countries is funneled through the NGO sector than the United Nations or the World Bank ("The nongovernmental order," 1999).

Despite their ubiquity as organizational, economic, and political phenomena, little is known about how NGOs influence politics (Clarke, 1998a, 1998b; de Waal, 1997; Keck, 1998). Most work focuses on the effect NGOs have on specific issues such as human rights, child labor, or the environment (Clarke, 1998b; Clark, Friedman, & Hochstetler, 2001; Keck & Sikkink, 1998). Work that directly addresses the question of political impact is characterized by widely varying conclusions. Across very different contextual environments, scholars find that NGOs promote social capital and political change (Clayton, 1993; Lehman, 1990; Loveman, 1991; Putnam, 1993), shore up traditional elites and hierarchies (Frank & Fuentes, 1990; Rivera, 1992; Sethi, 1992), or have relatively little impact on politics (Mendelson, 2002; Uphoff, 1993). A meta-analysis of this literature indicates that when it comes to understanding the impact NGOs have on politics, there is more frustration than theory. After an exhaustive review of the literature, Gerard Clarke (1998b) concludes that evidence can be found for NGOs having a negative or positive impact on political change. More recent work argues that local NGOs supported by international actors have no political or social capital effects, because aid dilutes organizations' initial mobilization and motives. Casting their lot with international partners forces local NGOs to avoid taking controversial political positions or challenging the status quo (Cooley & Ron, 2002; Henderson, 2002, 2003; Luong & Weinthal, 1999; Mendelson, 2002).

Given the widely varying conclusions, a general theory that explains how NGOs operate in different contexts is sorely needed. In this article, we contribute to the endeavor by testing two competing theories of the impact NGOs have on politics. One hypothesis posits that activities associated with NGOs increase social capital and strengthen civil society, producing political change—a change in voting behavior along a left-right political spectrum. The competing hypothesis states that any political change attributed to NGOs does not result from social capital or civil society but from less benign activities: Rather than increasing social capital and strengthening civil society, NGOs merely act as interest groups, promoting their political cause. To evaluate each hypothesis, we compare the political impact of

politicized and nonpoliticized NGOs on voting behavior in affected communities. Our empirical case is a World Bank program from the western Brazilian Amazon, under which funding was provided for local NGOs to engage in small-scale development projects.

We find that funding for NGOs is associated with political change, but the type of NGO does not matter. There is no significant difference in the impact politicized and nonpoliticized NGOs have on voting. Groups without any explicit political ties have just as significant an impact on political behavior as do their more well-connected counterparts. These findings have important implications for how NGOs wield their influence, suggesting that associational activity can generate change in political behavior. Encouraging political change does not depend on the group receiving the money. Our research implies that NGO-based development projects produce political change, regardless of which groups benefit and regardless of the context in which they operate.

The article proceeds as follows. First, we review the theoretical arguments and empirical evidence for NGOs and their political impact, both comparatively and in the Brazilian context. From this review, we offer a set of hypotheses about the differential political impact of NGO funding across context and organization. Second, we introduce our case, discuss data, and test our hypotheses. We conclude by suggesting a broader model of NGOs and politics.

Theory and Hypotheses

Previous authors disagree on both the political impact of NGOs and the mechanisms driving outcomes. One view posits that NGOs promote political change, though there is disagreement about the mechanisms of change. The most prominent link connects associational activity and social capital to politics, implying that NGO activity affects politics through the creation of social capital. A less optimistic view suggests that political change simply reflects opportunistic behavior: NGOs are rational actors that leverage their resources to achieve political ends.

Alternatively, other scholars have found that NGOs prevent political change. According to this line of argumentation, NGOs prevent change primarily in two ways. First, NGOs may be co-opted by wealthy donors and abandon political activity. Second, if NGOs successfully provide local public goods, they may satisfy grievances and eliminate incentives for mobilization and other manifestations of discontent. We discuss these arguments in the following paragraphs and then consider their implications for our case.

NGOs and Political Change

Previous work suggests that NGOs affect politics through several possible mechanisms. The most important of these is associational activity. Nation-states, international aid agencies, multilateral development banks, and others funnel resources through local NGOs because they believe associational activity is good for not only the provision of public goods but also for democracy itself. Associational activity may cause political change by reducing clientelism and creating the conditions necessary for the provision of public goods. Dating as far back as de Tocqueville, scholars have praised the virtues of associational activity for economic and political development. In particular, associational activity creates horizontal linkages among groups, facilitating collective action. Without horizontal linkages, politics is characterized by patronage, clientelism, and corruption.

Increased NGO activity can help establish horizontal linkages (Putnam, 1993, 2000). External funding that expands the number of NGOs can increase opportunities for citizens to organize and interact. Increased interaction generates trust and a collective identity, encouraging problem solving through collective action. Current development strategies reflect the influence of this theoretical perspective. Buying into the argument, many international aid agencies encourage participation and leadership by local NGOs to foster the accumulation of social capital and civil society to “make democracy work.”

An alternative mechanism stems from naked political ambition. Political entrepreneurs can use local NGO resources to buy political change. Internationally funded community development projects provide recipients with an important source of discretionary funds—often because of lax accounting procedures—that can be used for activities not directly related to the purposes of the grant (Uvin, 1998). Throughout the developing world, T-shirts and hats displaying political messages, meals for supporters attending rallies, or transportation for people to attend political meetings are funded by discretionary funds to mobilize the populace. Alternatively, the mechanisms of entrepreneurs need not be so deliberate or illegal; politicized NGOs may gain credibility, support, and votes for their cause through their successful delivery of services. Their provision of developmental services may generate goodwill for their leaders and preferred political parties and candidates.

NGOs and the Status Quo

Resources allocated to local NGOs can reinforce the status quo in at least two ways. First, NGO funding may be captured by well-organized

groups interested in maintaining the status quo. Putnam (2000) summarizes this view: "Contrary to the pluralist's ideal, wherein bargaining among diverse groups leads to the greatest good for the greatest number, we end up instead with the greatest goodies for the best-organized few" (p. 340). In the context of our study, already organized, politically powerful groups may be well positioned to take advantage of the resources flowing in from abroad, reinforcing the status quo. Political elites may capture NGO funding and use it to strengthen their support among the electorate.

An alternative mechanism involves demobilizing previously autonomous organizations. Resource-poor NGOs constantly struggle for funding. The international donor community, however, typically supports developmental projects, not political activity. Consequently, grassroots NGOs may compromise their original political goals to increase their access to needed funding. At the extreme, they may completely abandon their original goals and reorient toward the aims and goals of international donors to obtain resources (Luong & Weinthal, 1999; Mendelson, 2002; Smillie, 1995). This financial dependence might restrict the NGO's capacity and willingness for political action for fear it might not be approved by donors (J. C. Brown, 2001; Ndegwa, 1996; Uvin, 1998). Furthermore, the challenges of complying with international donors' performance criteria also absorb time and resources previously used for political activity (MacDonald, 1997).

Demobilization can occur through a variety of mechanisms. Henderson (2002) argues that while increasing the capacity of local organizations, support from international organizations to local NGOs in Russia led to the deterioration of civil society. Rather than creating horizontal linkages among community organizations, international organizations created what Henderson calls "principled clientelism": the establishment of unequal vertical relationships despite the international organizations' good intentions (p. 161). Others studying the former Soviet Republic, Kazakhstan, also find contradictions between intentions and outcomes. Luong and Weinthal (1999) observe that when funded by international NGOs, local NGOs in Kazakhstan distanced themselves from mobilizing the masses, diminishing their role in affecting environmental policy. Mendelson (2002) summarizes the general view expressed by contributors to a recent edited volume: "The authors in this book find that, although networks influence specific communities of activists, the networks have little power to create fundamental change in the absence of support from the host state and powerful Western states" (p. 233). That international organizations prefer to avoid mobilizing the masses underlies their inability to have a clear, positive effect on social capital and civil society. As a result, the impact on civil society is severely limited, if not prejudicial.

Two additional mechanisms of demobilization are worth mentioning. First, an NGO's successful delivery of needed community benefits may eliminate grievances that had previously mobilized community members. NGO participants may fight over the division of resources, creating factionalism that weakens the organization's capacity to act in the external political environment (Hammami, 1995). Finally, some argue that any form of institutionalization weakens social movements whose effectiveness depends on random spontaneity and not on deadlines for external grants (Frank & Fuentes, 1990).

Hypotheses

The diversity of empirical findings (political change vs. demobilization) suggests that an important challenge is building a theory that explains why the impact of funding for NGOs has such different impact in different contexts. One such attempt at a theoretical explanation is structural: Features of the political system or the funding program may constrain or promote political change. For example, D. S. Brown, Brown, and Desposato (2007) argue that when funds are channeled through local governments, they may be captured by politicians and used to reinforce clientelistic networks. In contrast, when funds are insulated from local political figures, NGO activity is more likely to promote political change. Although this is a useful and an important step forward, the previous theory does not clarify the mechanisms of political change. For example, where NGOs do have a political impact, is it the result of social capital creation or interest group activity?

In this article, we seek to contribute to the theory-building effort by constructing and testing a theory that isolates the mechanisms of political change, allowing us to determine whether associational activity or simple interest group politics drive change. These two mechanisms hold very different implications for NGOs and their role in political development. If social capital creation leads to political change, then any NGO activity should have an impact. If, however, political change stems from the political agendas of like-minded NGOs, then political change should vary with the political orientation of each group. This suggests two hypotheses:

Hypothesis 1: Associational activity and social capital

Any NGO activity leads to political change through the social-capital creating effects of mobilization and associational activity.

Hypothesis 2: Political entrepreneurs

Only the activity of politicized NGOs will have broader political effects; neutral organizations' activity will not affect politics.

Research Design

We test our hypotheses by comparing the impact of funding for different kinds of NGOs on political behavior. We use the case of the Planafloro development project described below, because it facilitates measurement of NGO activity and political impact. In the following paragraphs, we describe the context and background of the project, then turn to variable measurement and results.

Rondônia and Planafloro

Characteristics unique to Rondônia and the Planafloro project provide a natural experiment. First, the project provided massive funding to increase NGO activities in the form of organization-building and sustainable development projects. These funds were disbursed over a short time and led to the creation of many new NGOs as well as greatly expanding the activity of existing organizations. Consequently, by tracing NGO aid flows, we can measure NGO activity in local communities. Second, the NGOs that received funds vary significantly in type; many were politically neutral development organizations, but others had strong historical and political connections. Finally, the program's implementation occurred between two important elections, allowing us to measure political change before and after NGO creation and mobilization.

The state of Rondônia is located in Brazil's remote west-northwestern frontier along the border with Bolivia. The region encompasses moist tropical forest, dry woodlands, and savannas. Development in Rondônia, spurred by the desire to integrate Brazil's vast interior with the national economy, did not take off until the 1970s. The vast land, mineral, and timber resources of the region attracted hundreds of thousands of Brazilians. A series of human and environmental problems—invasions of indigenous lands, disease, and deforestation—resulted in part from the inability of government agencies to provide sufficient services (Hecht & Cockburn, 1990; Millikan, 1997). The government's inability to administer such a large influx of people spurred aid and development assistance from abroad. A World Bank-funded development program in the 1980s, the Northwest Pole Development Project (Polonoroeste), attempted to bring order to the occupation of the region.

Polonoroeste proved unable to alleviate these problems in Rondônia, becoming the prime example used by international NGOs in their campaign against the development and lending practices of multilateral development banks. The campaign helped bring about a restructuring of World Bank operations, part of which involved giving international and local NGOs a greater role in the formulation, implementation, and evaluation of development (Ames & Keck, 1997; L. D. Brown & Ashman, 1996; Keck & Sikkink, 1998; Rich, 1989; Rodrigues, 2004). In Rondônia, organizations of small farmers, rubber tappers, indigenous groups, river dwellers, and others gained recognition as constituencies whose needs were not being met by centralized development planning.

The eventual result was a new program—Planaflo— which was intended to increase community involvement and sustainable development. After a series of false starts and allegations of misallocation of resources, the eventual outcome was a program designed to channel World Bank funds directly to the NGOs to carry out decentralized development projects in local communities. In Rondônia, the projects were called PAICs (Programa de Ação a Iniciativa Comunitária [Program of Community Initiative Action]), which were community initiative support projects worth \$22 million of the original \$167 Planaflo budget (Millikan, 1997). Money allocated to the local NGOs originated exclusively from World Bank funds and came in the form of grants that the local NGOs did not have to pay back. Funds were used for a variety of purposes: acquisition of office and communications equipment, transportation equipment, capital projects, as well as organizational development and education.

Measurement and Data Collection

To test our hypotheses, we need measures of political change: NGO activity and NGO politicization. In the following paragraphs, we discuss our measurement of each variable. In each case, our unit of analysis is the municipality, or city.

Political Change

Although there are certainly many possible measures of political change, we focus on perhaps the single-most important indicator of political change in democracies: voting behavior. Specifically, we measure political change as the change in vote share for leftist presidential candidates from the 1994 election to the 1998 election. To code parties as leftist, we relied on the classifications from Appendix C in D. S. Brown, Brown, and

Desposato (2002). In Rondônia, this is an appropriate measure of change, given the long-term dominance of politics by conservative parties and interests. Leftist political candidates traditionally have received few votes in Rondônia, unlike other parts of Brazil. Elections and campaigns have historically been very clientelistic, with frequent reports of vote-buying and other forms of corruption. In addition, Rondônia is home to many small farmers, peasants, and indigenous groups. Elsewhere in Brazil, these groups are frequently aligned with leftist political parties, except where captured by clientelistic networks.

This measure of change has an additional methodological advantage. The race at the presidential level is particularly useful, because the same candidates contested each election in 1994 and 1998. The two participants were Luiz Inácio Lula da Silva ("Lula") and Fernando Henrique Cardoso ("FHC"). Lula, a longtime union organizer and leader of the Worker's Party (Partido dos Trabalhadores; PT), had narrowly lost the previous presidential campaign in 1989 to Fernando Collor de Mello who eventually resigned from office when faced with impeachment. Although an academic and a world-renowned Marxist scholar, FHC represented a centrist position on the political spectrum. Therefore, in both contests, there is a distinct choice between the center of the political spectrum (FHC) and the left (Lula).

NGO Funding

We measure NGO activity in terms of dollars received from external sources (Planafloro) dating from the program's inception until the elections of October 1998. The NGOs in our sample were completely dependent on Planafloro for funding. Little, if any, additional resources were available to NGOs in Rondônia at the time. Some had been in existence as marginal organizations, but with effectively no independent resources. The World Bank's grants averaged over US\$100,000, completely transforming these organizations' influence and ability to act in their communities. Rondônian municipalities vary widely in their size (population) and in the number of NGOs and the total funding received, so we measured funding as dollars per capita received by NGOs in each municipality.

Degree of NGO Politicization

For the ideology measure, we coded *politicized*, a dummy variable coded 1 for groups with an ideological orientation and 0 for all others. We established NGOs' ideological position using a two-step process. First, we examined each group's funding request (grant proposal) submitted to the

Planafloro office. In each proposal, the NGO was required to provide background information on the group, including a statement of purpose and a list of partner organizations. Groups that listed known politically active organizations as partners were coded as *politicized* = 1. Such groups included labor unions, community activist organizations, and the liberation theology communities of the Catholic Church. Second, we conducted extensive field interviews with political leaders and activists to identify which NGOs had political leanings. If leftist leaders identified an NGO as one of their partners, we coded that group as *politicized* = 1. For each municipality, we calculated measures of funding per capita to politicized NGOs, producing "politicized NGO activity."

In theory, both leftist and rightist groups could be politicized. Were that the case, we would have to distinguish between them in our measure and discussion. In that scenario, we would hypothesize that funding to leftist NGOs would increase votes for leftist candidates and funding to rightist NGOs would increase votes for conservative candidates. But practically every politicized group in Rondônia was aligned with the Brazilian left. This is not surprising; the conservative parties of Rondônia have traditionally relied on clientelism to mobilize support, whereas leftist parties have used grassroots mobilization strategies. This is not unlike the traditional patterns observed by Shefter (1977) in Europe. The only exception are 2 NGOs out of a total of 295 appearing in our data set that could be considered part of a right-wing activist organization defending the interest of landholders in Rondônia (the *Sindicato Rural Patronal*). The interests of the political right have always had control in Rondônia and have never needed to organize and politicize their base to achieve change. For the purposes of this project, because nearly every politicized group was aligned with leftist parties and movements, politicization should be unidirectional, increasing support only for leftist parties and candidates. Additional details on the categorization of NGOs are in the appendix.

Demographic controls.

The control variables we use are based on work by Ames (1994). Rondônia is a state that has undergone and is currently witnessing tremendous change. As a result, socioeconomic data from the beginning of the decade does not provide an accurate assessment of the conditions in each municipality. We obtained socioeconomic data for each municipality from a census performed in 1996 (Instituto Brasileiro de Geografia e Estatística, 1996). To estimate the impact external funding for local NGOs has on the vote for the left, we controlled for the percentage of the municipality's population living in rural areas (% *RURAL*), the percentage of the municipal-

ity's population that are migrants (% MIGRANT), the percentage of the jobs in the municipality that are government jobs (% GOVT EMPLOYED), and the average level of education for each person in the municipality (EDUCATION). Income data were not available from the 1996 study. Rather than using outdated income data, we used education as a proxy. Finally, in addition to the demographic variables, we recorded whether in the 1996 mayoral elections each mayor elected represented a shift to the right, the left, or no change (MAYORAL IDEOLOGY).

Model and Variables

First, we replicate the results in D. S. Brown et al. (2002), showing that there is a strong correlation between program expenditures and change in the vote for the left. We then interact the flow of resources with the kind of group that received funding, allowing us to determine whether the political change recorded in Rondônia was the result of social capital accumulation, the development of civil society, or something else. Brown et al.'s model was specified as follows:

$$\text{Lula's share of the vote in 1998} - \text{vote in 1994} = a + b_1 (\text{money to NGOs}) + b_2 (\% \text{ rural}) + b_3 (\% \text{ govt. employed}) + b_4 (\% \text{ migrant}) + b_5 (\text{education}) + e. \quad (1)$$

Our model distinguishes between funding transferred to politicized NGOs and neutral NGOs, using the variables described above. This suggests the following specification:

$$\text{Lula's share of the vote in 1998} - \text{vote in 1994} = a + b_1 (\text{money to NGOs}) + b_2 (\text{Politicized money}) + b_3 (\% \text{ migrant}) + b_4 (\text{education}) + b_5 (\% \text{ rural}) + b_6 (\text{Mayoral Ideology}) + e. \quad (2)$$

All variables included in the model approximate normal distributions. Given the cross-sectional nature of the data—a cross-section of 40 municipalities—along with the normal distribution of the independent variables, we used ordinary least squares (OLS).

Results

Table 1 reports the results for the two models specified in the previous section. Model 1 replicates D. S. Brown et al.'s (2002) results. Estimates show that municipalities receiving money from the Planaflores program were most likely to witness a shift in support for leftist candidates in the

presidential races, indicating Planaflo money is correlated with political change. Although the results suggest that external funds allocated to local NGOs produces political change, they do not identify the mechanisms at work.

In Model 2, we test whether the kind of group receiving the money (politicized or not) matters politically. The coefficient for the variable measuring money channeled through groups with a political affiliation (politicized money) is positive but not statistically significant, suggesting that the increase in support for the left is not contingent on whether a politicized group receives the project money. To be precise, because we cannot reject the null hypothesis (that there is not a significant difference between groups), there is no evidence that the type of group matters.

Although the estimates offer no indication that the type of group matters, because there is considerable heterogeneity between groups coded *politicized* (in terms of purpose, population served, and organization size), we go one step further to differentiate characteristics of these local organizations that might translate resources into political change. It could be, for example, that the weak correlation between funding for politicized groups and political change is driven by groups that are very different in nature. Although some groups may be politically connected, there remain important differences between them. For example, of those groups coded *politicized*, some are relatively new and represent heterogeneous groups of small farmers. Also coded *politicized* are groups with long and storied traditions in challenging authorities on behalf of indigenous groups and rubber tappers. Making further distinctions in this case can provide additional information. Toward that end, we were able to classify all of the NGOs on a number of dimensions: (a) the population served (farmer, rubber tapper, indigenous, women, floodplain communities), (b) organizational reach (local, statewide, national, or international), and (c) type of organization (association, cooperative, rural workers' union, church, mutual aid organization, producer's union). We tested all of the possible distinctions above, finding that there was only one distinction among the politicized groups that registered any empirical pattern.

The most important distinction involved the population served: rubber tappers and indigenous peoples as one group and another group formed by all the rest, most of which were groups representing Rondônia's colonist small farmers. This categorization highlights the very different histories of involvement these groups have had with nationally and internationally organized NGOs. Rubber tapper and indigenous groups have had this involvement, dating back to the 1980s. Organizations of small farmers who

Table 1
Regression Results for the Change in Voting for Leftist Presidential Candidates
On Planaflo Spending and Control Variables

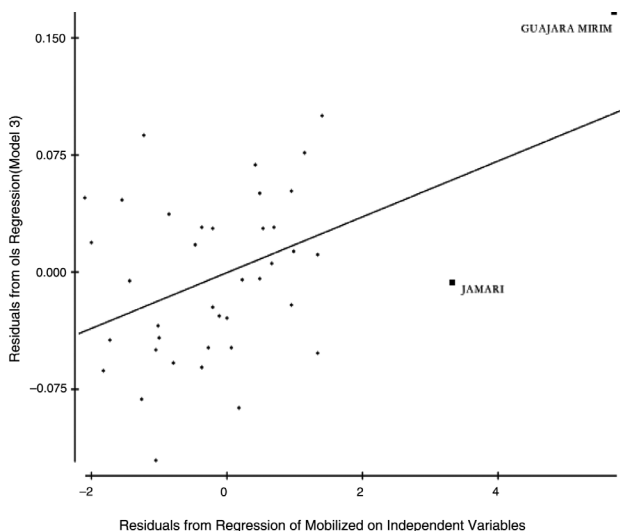
	Model 1	SE	Model 2	SE	Model 3	SE	Model 4	SE
Planaflo dollars per capita	0.005	0.001**	0.003	0.002	0.003	0.001*	0.003	0.001*
Dollars per capita (politicized)			0.005	0.004				
Dollars per capita (population served)					0.016	0.005**	0.009	0.006
Percentage of population in rural areas	-0.059	0.116	-0.033	0.116	-0.029	0.103	-0.077	0.102
Average years of education per adult	0.114	0.042*	0.125	0.042**	0.108	0.037**	0.086	0.037*
Percentage of workforce in the public sector	0.017	0.046	0.023	0.046	0.018	0.041	0.020	0.039
Percentage of the population that migrated	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
Mayoral ideology	0.004	0.010	0.004	0.010	0.000	0.009	0.002	0.008
Constant	-0.532	0.241*	-0.604	0.246*	-0.519	0.214*	-0.404	0.215
Observations	40		40		40		39	
R-squared	0.69		0.71		0.77		0.69	

p* significant at 5%. *p* significant at 1%.

colonized the state beginning in the 1970s have not had the same history of activism. The political organization of rubber tapper and indigenous groups never amounted to much up through the 1980s. However, once environmental and human rights groups helped raise international concern about rubber tappers and indigenous peoples as victims of development and deforestation beginning in the 1980s, they would begin to receive important assistance from international and national NGOs eager to enlist their support in a broader campaign against the development policies of the Brazilian government and its multilateral development bank financiers. The rubber tapper and indigenous groups had powerful motivation to organize—they were fighting for the integrity and continued existence of rainforest environments, the places they called home. In contrast, colonist farmer groups in some areas had organized to fight for better schools, health care, and roads in their communities. These groups were mostly affiliated with Central Unica dos Trabalhadores (Central Workers Union)—Rural, a rural workers' union linked with the PT, which began to exist in the state in the early 1980s. Ames and Keck (1997) indicate that only in recent years had small farmer groups begun making contact with the kinds of international organizations that had historical ties with indigenous peoples and rubber tappers. A much longer international involvement that helped rubber tapper and indigenous organizations achieve a level of cohesion and importance in their communities is one possible explanation for the statistically significant coefficient on the dummy variable that distinguishes these groups among the rest.

Although the regression coefficients indicate that the differences between groups are both statistically and substantively significant, a closer inspection of the results show that the estimate is entirely driven by activity in one specific municipality: Guajará Mirim. An inspection of the partial regression plot of Model 3 indicates that the municipality of Guajará Mirim is largely responsible for the result (see Figure 1), and its absence from the sample (Model 4) produces estimates that are not statistically significant. The overall pattern, therefore, indicates that the type of group does not have a significant impact on the relationship between money and political change. In terms of our hypotheses, a careful consideration of our results suggests that Hypothesis 1 is best supported by the data that any NGO activity leads to political change through the social-capital creating effects of mobilization and associational activity.

Figure 1
Partial Regression Plot



Note: This figure shows the independent effect of Planaflo money channeled through distinct groups (rubber tappers and indigenous groups) on voting for leftist presidential candidates.

Discussion

The results reported above hold important lessons for both practitioners and theorists. From a practical standpoint, the results imply that increasing the number of associations or increasing the amount of community interactions does hold the potential for creating political change. If the goal of any development program is to go beyond simple institutional changes and produce a deeper, more organic form of democracy, our estimates provide some support for the notion that by building the organizational infrastructure necessary, political change can occur. Although we want to exercise caution in drawing too broad a conclusion, the implication of our empirical test is that associative behavior can have an important impact on political change as we have defined it in the Brazilian Amazon.

Our results imply that NGOs produce political change, and they do it through producing increasing levels of interaction among citizens. That

political change was associated with all groups (whether politicized or not) pointing in the direction of how change can occur by raising the level of societal interaction. It is not likely that both politicized and nonpoliticized groups endeavored systematically to support the same candidates or to place their newfound resources in the hands of the same politicians. The evidence suggests, rather, that organizing people by increasing the number of interactions in public settings can create political change. To invoke that change, those receiving the money need not actively pursue political programs grounded in changing the political orientation of participants. Programs designed with the intention of breaking down the clientelistic binds that tie patron and client together do not necessarily have to direct resources toward groups that are in direct opposition to those in power. We observed this on a number of occasions in the field. In some cases, we have directly observed how once a meeting breaks up, conversation turns to issues not necessarily related to a specific project but to the political issues of the day. Groups are well equipped both with the tools and the infrastructure associated with affecting political change.

Could our results be explained by regular campaign activity? Perhaps the PT vote share increased because Lula's campaign deliberately targeted these municipalities. If so, then our results would just be a spurious correlation.

However, there is substantial evidence that PT campaign strategy had nothing to do with vote mobilization, and that NGO activity does indeed drive our results. The most obvious evidence involves a practical consideration. It makes no sense for a presidential campaign in a country of nearly 100 million voters to be focused on Cacaúlândia, an isolated town of just 5,000 residents. But the greatest change in vote share came in small municipalities. Some can only be reached via a difficult journey across rutted dirt roads that are often impassable in the rainy season. There was no rational reason for the PT to focus its campaign efforts on these small, isolated municipalities. The elections of 1994 and 1998 were not decided in the rural municipalities of Rondônia, and there is no reason to expect that the PT gave these regions special attention during the campaign.

An alternative is that the PT steered NGO funding to its supporters, but again, there is no evidence that this kind of politicized fund distribution took place. There is no simple correlation, either positive or negative, between previous PT success and NGO activity. This is not surprising. We know that no single individual, group of individuals, or organization was able to direct Planaflores resources, eliminating the possibility of an overt campaign strategy (see Appendix B in D. S. Brown et al., 2002) for a detailed account of the funding process. Even so, we examined the impact

of the PT's municipal strength on the distribution of funds and on the change in voting behavior. We included a measure of local party strength in our models. It was never a significant predictor of vote share.

In addition, our fieldwork at NGO project sites indicated that increasing organizational activity was primarily responsible for our results. We visited dozens of NGOs in rural Rondônia, some in very isolated and impoverished communities. Association leaders were always quick to talk about how their new meeting halls and community buildings gave a sense of permanence to what were relatively weak organizations. The ability to hold meetings in comfortable surroundings attracted new members. Association leaders also indicated that meetings often turned to political discussions, often including national level issues: ecological zoning of rural properties, rescheduling of rural debt payments, free trade, the price of the Brazilian Real. Moreover, discussions turned to which politicians to support.

Many leaders we interviewed told stories of spontaneous political transformation. For example, farmers who had been uninvolved with the activist orientation of the Rural Workers' Unions began to take part in politics, joining a statewide milk production strike against milk processors. The people interviewed claimed that although members of their association came from all political persuasions, their newfound politicization steered them toward the PT. Finally, leaders often told of an increase in organizational participation and membership. Having observed neighbors participating in reforestation projects, obtaining free seedlings, participating in cooperatives, and gaining access to agricultural machinery, many previously complacent citizens joined the NGOs and became politically active themselves.

Our results contrast with other work that argues that the mission orientation of the organization determines whether the group presses for political change or merely supports entrenched political interests. In work focusing on NGO activity in Central America, Laura MacDonald (1997) argues that in production-oriented NGOs, community participation often gets short shrift, leading the community to become more disengaged. Community members not directly involved in the production activity are not allowed to participate or use the facilities built by the production-oriented organization.

Previous work conducted primarily in Russia, the former Soviet Republics, and Eastern Europe is also at odds with our findings. Noted earlier, scholars examining the impact that international organizations have on social capital and civil society were uniformly pessimistic about the possibilities of increasing social capital and civil society through international aid or other kinds of philanthropy. Luong and Wienthal (1999)

found that international NGO activity reoriented local NGOs toward less activist strategies, involving fewer and fewer of the people the programs were originally designed to help. Henderson (2002) found that rather than creating the kind of horizontal ties Putnam (1993) spoke about in *Making Democracy Work*, more vertical, clientelistic ties were established. Mendelson and Glen (2002) reach similar conclusions.

A second look at these findings reveal, however, an important difference between the Planaflo program and initiatives cited above. In fact, our results confirm perhaps one of the main conclusions that underpins many of the cited studies: "Western assistance can make a difference if NGO strategies are derived from local ingredients rather than a global cookbook" (Mendelson, 2002, p. 235). Two aspects of the Planaflo program differ from the programs evaluated in previous work. First, the general environment for political activity is much more open in Brazil compared to Russia and the countries of the former Soviet Bloc. Second, but perhaps even more important, the administrative structure of Planaflo fostered a great deal of individual initiative on the part of local interests. Planaflo served to distribute funds to various groups, adopting a relatively hands-off approach to the actual administration of each program. Due diligence was conducted in terms of tracking receipts and spending by each NGO, but important administrative and creative considerations were left to local actors. Consequently, the Planaflo program confirms what was observed in other regions: Programs designed to help foster social capital and civil society should delegate a large share of the administration of any program to the individual, local NGOs.

Conclusion

Previous results published on the Planaflo project indicated that the flow of external resources had a strong, positive association with a change in voting behavior. Municipalities that benefited the most from funds designed to increase social capital and civil society were positively correlated with the change in support for leftist presidential candidates. Concretely, the difference between municipalities that received no money and those that received the most was roughly 14 percentage points. Although the correlation could be explained by the Planaflo program's success in accumulating social capital and stimulating civil society, without data on each and every recipient, that explanation is impossible to verify. Armed with data on the 295 organizations that received funding, we sought to distinguish between two competing explanations. The first accounts for the change by

arguing that the kind of associative activity generated by newly funded NGOs raised the stock of social capital, causing citizens to question and challenge entrenched political elites. The second accounts for the change quite simply: For the first time, politicized (mainly leftist) groups received resources, allowing them to mobilize their base of support for leftist presidential candidates.

The results of this study suggest that political change can come from the increased activity of a heterogeneous group of local NGOs. Although some very highly politicized groups did affect political change, these groups were geographically concentrated in one municipality: Guajará Mirim. When examining the rest of the state, the distinction between politicized NGOs and nonpoliticized NGOs falls out, implying that increased organizational activity is associated with political change.

Before closing with the main implications of our work, let us discuss some of this study's limitations. Our study is based on a specific geographic region that might differ from others in some important ways. Rondônia is newly developed. Only having gained statehood in the 1980s, the long, centuries-old political arrangements that dominate other developing regions will not be in evidence. Consequently, much of Rondônia's political and economic development has been directed by the federal government, another unique feature that might distinguish Rondônia from other developing regions. The amount of international attention received by the Planafloro program makes it unique in the way money was allocated along with the very strong environmental component. These features of the Planafloro program no doubt distinguish it from other programs designed to accumulate social capital and develop civil society.

Despite these differences, Rondônia shares many of the same characteristics of all developing regions. General health of the population, provision of health services, and infrastructure make Rondônia comparable to a number of developing countries in a number of different regions. According to official government estimates, Rondônia's infant mortality (the number of deaths per 1,000 live births) was 31.62 in 1999 (State Government of Rondônia, 2003). According to World Bank (2000) estimates, infant mortality in Mexico, Egypt, and Peru was 25, 34.7, and 29.5, respectively. The number of doctors per 10,000 inhabitants in Rondônia is comparatively worse than other developing areas (4.59 doctors). Comparable figures for Jordan, Malaysia, and Mexico are 20.5, 6.8, and 13, respectively. Finally, the percentage of roads that are paved in the state (6.8) is lower than in Bangladesh (9.5) and Sierra Leone (8.0). Put simply, the kinds of socioeconomic factors that impinge on the formation of social capital and civil

society in Rondônia are factors shared by many developing regions in the world. The conclusions we draw from Rondônia, therefore, will have relevance to other programs and other areas of the world.

In addition to the theoretical and practical implications mentioned, there are practical concerns as well for international development agencies attempting to build social capital and civil society through local NGO-based programs. If our hypothesis is correct, simply creating organizations, meetings, and other forms of associational activity can have an impact on political change. To challenge the status quo, development programs need to be less concerned with who receives the money and more concerned with how program designs can increase the interaction among groups at the individual, organizational, and community levels.

Appendix

Details on Variable Codings

For any cases in which the political affiliation of a nongovernmental organization (NGO) was unclear from examination of their project proposal documents, we conducted a series of extensive interviews throughout the state with politicians, participants in the Planaflo program, political activists, and government extension agents to aid in our coding. Below is a brief description of the dimensions on which we scored each NGOs grant proposal.

Each group that had a project with Planaflo was classified as to whether it had ties to the left. Nongrassroots NGOs organized around issues of environment, human rights, and rural development were classified as leftist. These are groups organized by relatively well-educated individuals and have relatively strong links with international NGOs to carry out specific projects that benefit populations of rubber tappers, indigenous groups, and floodplain fishing communities. Their activities tend to be organized around ideas of strong community participation, involvement of women, environmental conservation, and a very strong belief that sustainable development can be achieved in Amazonia via the devolution of control to locally organized grassroots organizations.

All groups associated with the Catholic Church were classified as leftist. Interviews with the earliest leftist leaders in Rondônia indicated that the Church's liberation theology in the 1970s was crucial in educating young adults on methods of organization. Those educated youths eventually formed another set of organizations, *organizações de ajuda mútua* (mutual assistance programs), which were essentially extensions of their earlier church-related organizing activity. Originally formed to distribute water filters in the countryside, the mutual assistance programs later developed into cooperatives that offered credit and subsidized goods, eventually

developing into important marketing channels for agricultural produce. Interviews with key leaders at the state level indicated a strong socialist orientation to their organization, in some cases requiring members to maintain a certain amount of fields in common with neighbors. Other leftist groups spurred by early organizational efforts by the Church, which were classified as leftist, are the *Sindicatos dos Trabalhadores Rurais* (STRs), or Rural Workers' Unions. The STRs have been very active throughout the state in organizing strikes among small farmers for better prices for milk, in securing retirement benefits for rural workers (both male and female), and in campaigning for better schools, roads, and other public services.

Indigenous groups were also classified as leftist. The federal government's Indian affairs agency, FUNAI, and in some cases the Church, have dominated most indigenous groups in the past. All groups that received money, however, have begun to distance themselves from those organizations since the late 1980s and formed a strong leftist orientation of their own. One government official we interviewed stated, "I do not know any indigenous group that is not affiliated with Brazil's Green Party." The kinds of groups mentioned above were fairly easy to classify. The majority of beneficiaries of Planaflo money, however, were associations of small farmers organized along rural roads, or *linhas*. Classifying the small producer groups was more difficult and required that we interview activists throughout the state to determine which groups were actively involved with political organization.

After having coded each group's grant proposal, we went back into the field, interviewing politicians, officials at Planaflo, and a number of leftist leaders throughout the state. In each municipality, we interviewed leaders of the *Sindicatos* or the mutual assistance organizations concerning the small farmer associations. We classified as leftist those associations the leftist leaders considered to be reliable sympathizers of, or active participants in, leftist organizational activity in the municipality. Leftist leaders also indicated to us a number of group types that we should classify as not leftist. Those included large cooperatives organized around cattle production, credit cooperatives, *Sindicatos Rurais* (unions of landowners and employers of rural labor), *Associações de Pais e Professores* (groups organized around education, yet strongly influenced by center and right mayoral candidates).

Based on our reading of the grant applications and our interviews, we constructed an indicator, which classifies groups as having leftist ties or not. The resulting measure classifies 140 of the 295 groups as being tied in some way to the left. Our coding of groups as tied to the left is a conservative one. If there was any doubt whether the group had an affiliation with the left, we coded it as not left.

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David S. Brown is an associate professor of political science and a research associate at the Institute of Behavioral Science, University of Colorado at Boulder. Current research examines the landless peasant movement's impact on municipal spending in Brazil and the impact Wal-Mart has on social capital in the United States. Recent published research has appeared in *American Journal of Political Science*, *Latin American Research Review*, *Political Research Quarterly*, and *Comparative Political Studies*.

J. Christopher Brown is an assistant professor of geography and environmental studies at the University of Kansas. His research focuses on the political economic and ecological elements of development and conservation in Latin America, especially the Brazilian Amazon. His recent work has appeared in *Geoforum*, *Progress in Development Studies*, *Ambio*, and the *Journal of Latin American Geography*.

Scott W. Desposato is an assistant professor of political science at the University California, San Diego. His general research interests include democratic institutions, campaigning, mass behavior, and political methodology. His latest project, funded by the National Science Foundation, examines the determinants and impacts of negative campaigning across different institutional settings. His published research has appeared in *American Journal of Political Science*, *Journal of Politics*, *Comparative Political Studies*, and *Political Analysis*.