



## A Study on the Role of NGOs in Creating Sustainable Development

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**Abstract:** Along with government and private sector, non-governmental organizations (NGOs) constitute the third pillar of sustainable development. Enhancement of sustainable development is not possible unless government, private sector, and NGOs work in conjunction with one another. Nowadays, in many countries, NGOs work powerfully and efficiently. A lot of social support functions such as helping victims of natural disasters and wars, supporting human rights, protecting the environment, and attempting to implement goals of sustainable development cannot be achieved without active cooperation of the aforementioned pillars. Thus every society aiming at achieving sustainable development cannot overlook activities of non-governmental organizations. It is impossible for a society to step into fostering sustainable development without laying the groundwork. Hence if sustainable development of human resources, science, and society is not based on its principal components, namely, empowerment, social capital increase, production of knowledge, reduction of poverty, and public welfare increase, it would be unwise to restrict NGOs.

**Keywords:** Non-governmental organizations (NGOs), Sustainable development.

### INTRODUCTION

The discussion of the formation of community-based organizations dates back to a long time ago. A comprehensive definition of community-based organizations would make it possible to encompass charitable, relief, commercial, cultural, social, sport, spiritual, tourist, technical, scientific, juridical, administrative, political organizations, etc. it is important to note that organizations which are not kept under government direct control are non-governmental organizations. The time when human realized the importance and benefits of cooperative work, the basis of early community-based organizations was formed. Therefore concerning the above mentioned definition, it is not possible to create a specific date range for the

formation of early community-based organizations. However, forming community-based organizations as what we know now dates back to the 19<sup>th</sup> century. Describing the formation procedure of these institutions, one can perceive factors such as industrial revolution of the 18<sup>th</sup> century and its economic and social effects in relation with labourer rights, their relation with employers, etc., on the one hand, and development of democratic and human rights concepts after France and the United States revolution, on the other.

### **Statement of the problem**

Planners and decision makers hold a view on development which is different from reality. This causes people, who are mostly the target audience of development process, to have a distinct and inconsistent perception of the term 'development'. In a real sense, development means participation of people and organizations in all stages of it, only in which case people and community-based or non-governmental organizations can directly or indirectly benefit from their involvement.

Ensuring all sides' participation encourages community-based development. Nowadays in developed countries, people in formal and informal organizations, take scientific, specialized, and economic decisions in different fields through different social institutions and economic, political, and educational organizations, while in developing countries because of the wrong definition of the position of the government and people, people and NGOs play a marginal role in development.

According to their types and the special activities they pursue, NGOs provide human societies with comprehensive services in a variety of areas such as environment, women, charity, fight against AIDS and drugs, the youth, religion, peace and human rights, Entrepreneurship and business development in the form of helping governmental projects, monitoring government actions, and doing model and promotional activities.

NGOs are less involved in financial and industrial activities pertaining to production. In fact, they are more engaged in policymaking, directing industrial policies towards the interests of people, enhancing creativity and innovation, promoting environmental policies, and trying to help industry and economy to bring benefit to the poor. NGOs also seek solutions to economic and industrial problems and make economical and industrial activities transparent.

### **Objectives of the study**

The objectives of the present study are as follows:

1. Reviewing the concepts of the structures of NGOs
2. Reviewing the role of NGOs in creating sustainable development
3. Offering executive solutions for making NGOs activities' role in creating sustainable development more effective

### **Research questions**

The present study seeks answers to the following questions

### **Main questions:**

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1. What is the role of nongovernmental organizations in enhancing industrial and financial economic development and solving socio-political and managerial problems?

2. What is the role of nongovernmental organizations in creating sustainable development (economic, political, social, and environmental development)?

3. Do existing laws and regulations in the legal system of the Islamic Republic of Iran can be the right platform for non-governmental organizations to reach their goals?

### **Subsidiary questions:**

1. What is a non-governmental organization?

2. What are possible ways to strengthen the role of NGOs?

3. Does the structure of the government in Iran has the capacity to enhance the formation of non-governmental organizations? Can power structure tolerate the existence of non-governmental organizations?

### **Stating hypotheses**

Non-governmental organizations with specific legal structure play an effective role in economic, political, social, and environmental development.

Non-governmental organizations in Iran have not been able to perfect the legal position required for creating sustainable socio-political development.

Iran's legal system has not built the capacity non-governmental organizations need to reach their goals.

### **Significance of the study**

The present study offers new concepts of the structure of NGOs with the aim of understanding the functional structure of these organizations, further studying the participatory status of NGOs in a country's economic and industrial development, and reviewing and exploring the laws related to the activities of non-governmental organizations in Southern and Northern countries. Finally, some implementation strategies for the development of NGOs and increasing cooperation among them in solving industrial, managerial, and economic problems are presented. The implications can be used by researchers and managers to better recognize and manage non-governmental organizations, and to improve their role and legal status to achieve sustainable development.

### **Research method**

This study has utilized library and documentary research methods. Using documents and field research, the study investigates international and domestic NGOs and also explains the necessary variables.

### **Data Collection**

The method of data collection is library based. Also field research is used to collect and analyze the documents of international and domestic NGOs. Moreover, with regard to NGOs, sources such as internet, magazines, statements by international organizations, the articles of association, resolutions and bills of the government, and parliamentary initiatives are used.

## **Instruments**

Data collection instruments in this study include related books, governmental documents, sample international and domestic articles of association, and web-based materials.

## **Data Analysis**

In this study, the method of data analysis is adopted based on the answers given to the questions raised. After collecting the data, a comprehensive definition of non-governmental organizations is given and their role in social, economic, and managerial activities is examined. Then the legal system governing NGOs in Iran and the extent of their impact on the development and growth of the country in all dimensions are studied with respect to their positions. Finally, using descriptive and comparative methods, the results of these studies are compared with those of other related studies conducted in this field. Finally, the practical solutions are consequently provided.

## **The theoretical foundations of the study**

**Non-governmental organizations:** organizations that do not use directly the state budget and their members do not have the State-devolved responsibility in return for an activity that they do. According to the United Nations, the term NGO can be applied to any voluntary non-profit group of world citizens at the local, regional, and international level.

**Sustainable development:** Sustainable development is a process of change in the use of resources, investment direction, orientation, technology development, and the institutional changes which meet present and future needs.

NGOs are generally defined as communities, groups, and grassroots humanitarian organizations, whose most important attribute is independence from the government. A non-governmental organization (NGO) is any non-profit organization whose members are citizens of one or more countries, and their activity types are determined by the needs of individuals or communities with which the organization is cooperating.<sup>1</sup>

## **National organizations' point of view**

NGO refers to any voluntary association or gathering working at a national or international level and run by people with common interests. Humanitarian services, drawing people's attention to government actions, monitoring government's policies, and enhancing people's political participation in foreign affairs are among NGO activities. Analyzing existing state of affairs of their community, such organizations serve as early warning mechanisms.

## **NGOs under the constitution of France:**

The 1 July 1901 constitution of France, which is one of the oldest constitutions that have defined NGOs' activities, is over 100 years old. According to French Law of July 1st, 1901, association is a contract according to which two or more people

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permanently share their activities and properties so as to achieve a non-profit goal.<sup>2</sup>

### **NGOs under the constitution of Swiss**

According to Article 60 of the Swiss Civil Code " political, religious, scientific, artistic, governmental, entertainment and other associations that have no economic purpose become legal entities as their founders declare intentions to form associations within the statutory framework."<sup>3</sup>

### **NGOs under the constitution of the United Kingdom**

Under the British constitution, NGOs, relying on common law system, are community-based organizations which seek non-profit goals. This requires that they possess financial resources which are mainly funded by voluntary contributions of individuals.

### **NGOs in the Islamic Republic of Iran**

Based on the Ministry of Interior of the Islamic Republic of Iran, the term 'NGO' can be applied to any organization which is voluntarily established by a group of natural or legal persons, and which seeks non-governmental and non-political goals according to its status.<sup>4</sup>

### **Defining development and its indicators**

Development is a concept which is better to describe than define. Perhaps because of the complex and multifaceted nature of development, its meaning varies from context to context.<sup>5</sup>

Many definitions of development have been proposed. From a historical point of view, the concept of development have been synonymous with economic growth , human development, income equality , technological progress , social renewal, freedom promotion, and development of individual capabilities. There are three underlying reasons why the meaning of development has undergone gradual transformations. One is that human needs have changed over several decades, that is, when underdeveloped countries lacked suitable economic and social infrastructures, concepts and definitions of development were mostly focused on developmental and economic infrastructures, while as economic infrastructure gradually improved, issues of human development and technological advancement were also raised. Society passes through well-defined stages in the course of its development. Thus it is axiomatic that social and economic infrastructures are preconditions for human development. Perhaps it can best be illustrated by Maslow's hierarchy of needs based on which physiological needs are the most basic related to a person's survival. Once these lower-level needs have been met, people can move on to the next level of needs, which are for security, socializing, esteem, and self-actualizing. Similarly, the evolution of development concepts can be explained in a way that emphasis on issues of economic growth finally leads to an increase in individual freedom and capabilities.

Secondly, over the past decades our knowledge of the concept of development has increased due to a plethora of research in this arena. Nowadays, our understanding of the nature of poverty, backwardness, corruption, and

unemployment has increased. We now better understand human needs, this means that the evolution of the concept of development is a common occurrence. However, giving a precise definition of development is a daunting task. Thus, it would be more appropriate to describe the term as given below.

- Development is a multidimensional process. That is to say, there is no single factor that can create development independently.
- Development cannot be measured by a single criterion. Thus it's better to use a group of non-cumulative performance indicators as indices of development.
- Development is not a log-linear process. Instead, it is a multi-variable non-linear process.
- The initial conditions of each country shape its future development.
- Development is not a process of capital accumulation, but, it should be considered as a process of organizational change, which is a set of mechanisms for designing purposive organizations.

All the above offer descriptions of development <sup>6</sup>.

### **NGOs and sustainable development**

Directly or indirectly, NGOs play an important role in awakening the people and enhancing human development in a society. However, in underdeveloped or developing countries, there are serious obstacles to performing the activities of non-governmental organizations and group activities in general.

### **The role of NGOs in developing countries**

Planners and decision makers hold a view on development which is different from reality. This causes people, who are mostly the target audience of development process, to have a distinct or even inconsistent perception of development. In a real sense, development means participation of people and organizations in all stages of it, only in which case people and community-based or non-governmental organizations can directly or indirectly benefit from their involvement.

Ensuring all sides' participation leads into community-based development. Nowadays people in developed countries, in formal and informal organizations, take scientific, specialized, and economic decisions in different fields through different social institutions and economic, political, and educational organizations, while in developing countries, because of inadequate definition of the position of the government and people, people and NGOs play a marginal role in creating development.

### **Northern NGOs**

In the late 19<sup>th</sup> century, the west underwent dramatic changes, which have their roots in the 16<sup>th</sup> – 19<sup>th</sup> centuries. These changes mostly emerged in Western Europe and the United States. This time period was associated with a chain of events which later led to the emergence of capitalism and industrial society, resulting in social and cultural change. Under capitalism, labor power became a commodity. Man was also considered as the consumer of the production.

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Capitalist economic activity, which was structured around the accumulation of capital, brought about resources overuse, which in turn had adverse human and environmental effects. Meanwhile, broadminded groups and individuals, who were aware of existing situation, tried ,through organizing human groups, to remind human societies of what had been missing in Capitalism. Monitoring government and Capitalist System through creating community-based organizations, they strived for such goals as social justice, sustainable development, environmental protection, equitable distribution of wealth in society, preventing the plundering of the resources of the third world countries, and directing funds to the third world countries<sup>7</sup>.

Nowadays, the role of NGOs in society is institutionalized in developed northern countries. These organization act as an intermediary between people and governments which are constantly formed or dissolved. Governments usually have a passive role in their relationship with NGOs. Often, NGOs have a direct control over government activities.

Currently, NGOs from western countries are dealing with new issues including inability to compete in the market, dependency on non-profit organizations' funding, disorganization in pursuing social goals, and replacing them with goals which are economic in nature. On the other hand, NGOs from northern countries, as a final solution to the adverse consequences of economic development, one-sided development of industry and technology, alienation increase in society, and increase in unemployed and low income population, are supported by governments and community-based organizations.

### **Southern NGOs**

Unlike northern countries which have vindicated spontaneous grassroots organizations' involvement in the implementation and monitoring of plans, most of developing southern countries have refused to allow the creation and recognition of non-governmental groups due to their governments' centralized power structures. The collapse of the most powerful centralized government, the Soviet Union, and its dominant political system, Communism, affected estate resources management all over the world, an immediate effect of which is countries' movement from closed economy to free trade. Also, government's evolution of a decentralized system of power resource management (knowledge, wealth, and so on) and its handover to people led to the emergence of grassroots groups in the public sector in some southern countries. As a result, NGOs which were dependent on the government were formed. The basic requirement for such a move was limiting the scope of government action and monitoring and then creating complement systems to plan, implement, monitor, and evaluate activities in all sub- systems of society. In other words, people's participation in all social institutions, particularly in the political and economic institutions was encouraged. However, due to the remnants of previous centralized governments - people's participation was not fostered in the midst of people and social groups, and they still expected government to manage resources - the progress was impeded, and many collaborative projects ended in failure<sup>8</sup>.

### **Challenges and hope for Iranian NGOs on their road to promote development**

Generally, the fledgling Iranian NGOs suffer many difficulties as do most emergent organizations. One of the most fundamental difficulties is that there is no commonly-held definition of NGO and a vast number of Iranians are not familiar with the term "NGO". The key to the problems lies in advertising and informing people of NGOs so that people know about their functions and governmental organizations support them. Thus the notification must be given in way that authorities perceive NGOs as a driving force. In other words, NGOs are not against government. Instead, they should be considered as arms of government, in which case the NGOs will rise up to support them. But currently lack of sufficient knowledge of these organizations has also brought some problems. However, as Iran has increased its active participation in the international arena, the government might become keen for the presence of NGOs in this very area. This can be illustrated by the growing number of representatives of Iranian NGOs participating in international conferences and global meetings. UN development program has gradually started to ask NGO members, especially those with professional capabilities, to play a role in development activities including advice on policies, development of basic research, education, and training programs<sup>9</sup>.

### **Discussion and Conclusion**

The functions of big governments can be explained by analogy with the movement of crippled giant creatures whose efforts yield no satisfactory results.

One of the most fundamental mechanisms of sustainable development is to strengthen non-governmental organizations, thereby underpinning the prospects of achieving goals, such as: shrinking the government, empowering people and enhancing social capital among all classes of society, developing an efficient economy system, optimizing the process of planning and creating well-operationalized programs, dealing with the expenses, corruptions, and inefficiency resulting from the big government. It should also be noted that deploying a reasonable and cost-effective approach and seeking participation of the wider group of people are key to the attainment of the aforementioned goals<sup>10</sup>.

That is why international organizations involved in development process has recommended strengthening of NGOs in developing countries as an effective treatment over the last two decades.

Some totalitarian regimes view NGOs as the leverage of world powers which are targeted on undermining national sovereignty of weaker nations. According to neoliberal theory, NGOs constitute an integral part of civil society. Under this view, main functions of NGOs are facilitating public participation in economic development activities, fighting against poverty and inequality, protecting the

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environment, and other objectives focused on stability and social structure in modern societies<sup>11</sup>.

Thus countries that seek to promote sustainable development cannot overlook activities of non-governmental organizations. It is impossible for a society to step into fostering sustainable development without laying the groundwork. Hence if sustainable development of human resources, science, and society is not based on its principal components, namely, empowerment, social capital increase, production of knowledge, reduction of poverty, and public welfare increase, it would be unwise to restrict NGOs<sup>12</sup>.

### **Implications**

Given the examined development factors of the present study, the main arguments in support of NGOs, which can help solve some of their problems and hence lead to creating sustainable development, are as follows:

1. Establishing judicial oversight to protect rights of NGOs: Providing NGOs with litigation in the court of judicial institutions prevents governments from imposing their preferences regarding licensing and monitoring on NGOs.

2. Supporting NGOs plans: according to this model, NGOs, in line with their activities, offer their plans to the government. Due to NGOs proximity with the people and familiarity with the immediate practical problems of people, supporting and executing NGO plans is a big step towards enhancing sustainable development.

3. Improving the consultative status of NGOs in political, social, and economic affairs: the United Nations Economic and Social Council (ECOSOC) has frequently affirmed the need and place for the consultative role of NGOs. It offers opportunities for NGOs to effectively tackle macro issues related to human and social development of their own community. Their role is twofold. First, decision-making process and social development planning are in agreement with NGO programs. This enables the ECOSOC to plan for context-driven development activities. Second, UN agencies such as UNICEF put huge emphasis on implementing the programs that are executed by NGO administrators rather than government authorities. Drawing on this experience, we can change government policies and further promote the role of NGOs in macroeconomic policy making, thereby fostering all-sided development.

4. Establishing communication and information exchange between local NGOs and international organizations: Communication is one of the most important preconditions for spurring growth and gaining skills and experiences. Through improving their communication with the outside world and using the experiences of NGOs in different parts of the world, local NGOs can improve the quality of the services they offer to citizens. Communications also open up opportunities for NGO leaders to exchange ideas with others and have an open-minded view of the world, which in turn strengthens NGOs and lays the groundwork for the enhancement of the factors measured in sustainable development.

5. Improving the quality of monitoring and evaluation of NGO: on the one hand, a key feature of an NGO which has been explicitly recognized is that it must be independent from the direct control of any government. Government agencies, on the other hand, consider themselves as the only final authority for issuing licenses to NGO. For this reason, they seek to take control of NGO activities. Furthermore, they believe that NGOs should be held accountable for their performance, income, and the cost of their services. The Articles of Association of NGOs in Iran allows intrusion of government agencies and representatives, especially the Ministry of Interior, into the affairs of NGOs. Legally, it seems quite contradictory to emphasize non-governmental and independent status of an NGO, while at the same time giving too much power to the local government. The real solution to this problem is to recognize NGOs strategies as well as their independence from government control, in which case chances are good to build confidence and creativity and stimulate strenuous activates on the part of non-government organizations. Nevertheless, the justification provided by government is that since NGOs operate within a country's borders and laws, their non-governmental and independent status does not justify their unaccountability. Therefore, they claim that NGOs should be held accountable for their actions and decisions. If we use the global experience on legislation and monitoring and policy making in governments and leave specialist supervision to the private sector, we can most likely tackle the issue of government unconstructive engagement with civil society and NGOs, and consequently dispel any myth about government intervention in the affairs of non-governmental organizations.

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