

The development sector - an industry in transformation

By [Onyi Nwaneri](#)

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Non-profits play a key role in filling the gaps of government shortfalls with regard to social services for citizens. They also play a crucial role in the policy development process, policy advocacy and the representation of minority views. Unfortunately, the non-profit sector in South Africa currently faces many challenges, despite the country facing increasing developmental problems in areas including health, education and poverty alleviation.



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The private sector is equally making a significant contribution to address these social challenges. According to the Trialogue 2019 Business in Society Handbook, the total estimated CSI expenditure in 2019 was R10.2bn and the most supported sectors were education, social and community development, food security and health – in that order.

An industry in transformation

The global recession, local economic factors, reduced government funding and support, an increase in charitable causes, declining trust and public scrutiny have all hampered the fundraising efforts of non-profit organisations (NPOs). In addition, non-profits contend with limited resources and increased demands due to continually increasing needs in the communities in which they operate.

To overcome this challenge, non-profit organisations and charities will need to ensure they remain innovative when competing for funding. Being able to measure and report results based on outcomes as opposed to activities will be key to keeping donors on board.

One of the best ways to ensure the survival of the non-profit sector in South Africa is for NPO's to run their charities like a business, so as not to be solely reliant on donations. Earned income will be a growing trend in 2020.

Improved transparency within the sector is also critical. Over the past few years, NPO scandals across the globe have tarred the entire sector with the same brush of mistrust. However, this is also one of the reasons that there is a need for standard transparency and accountability regulations in the country. In South Africa there are no required accountability regulations apart from that which the charity organisation chooses for itself, which it has to satisfy its donors and the laws of the country. Accountability and transparency are a shared undertaking informed by a social contract in which a fundamental principle is to “do no harm”. The more this principle is shared and upheld, the brighter the hope for the people we serve.

The world is changing. NPO's are not exempt from having to move with the times, embrace new technology and understand how young people are using this technology for stronger self-expression. For instance, in our area of development, we have seen how disillusioned the youth are with the political process as a vehicle for change. Social media is the way that many young people are now making their voices heard in terms of social activism. NPO's should be monitoring these trends and using these as tools of transformation and mobilisation.

There must be a more holistic and integrated approach to social upliftment in general with NPO's interacting/collaborating/partnering with one another to widen the net of who, when and how many they are able to support, and the scale of their impact. Working in siloed fields does not achieve the same results as an all-inclusive method.



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Sustainability and social investment

Earned income contributes to an organisation's sustainability, even as a diversity of funding sources, including those from traditional funders, may still be necessary for sustained financial health.

A lot more needs to be done to build a stronger society in South Africa and how we achieve this hinges on the involvement of all parties in the country, including government, civil society, private business and ordinary people.

Corporate citizenship, the investment a business makes in the local community or society as a whole, has become of utmost importance. Working together to develop a pipeline of young people who are well positioned to acquire the scarce and critical skills our country needs is crucial in addressing today's most challenging issues. The call is for more companies to see CSI as a strategic instrument for economy and nation building, and not the traditional charity and welfare lens from which this has been seen in the past. It is important to emphasise that corporate citizenship cuts across all players in the private sector, from SMMEs to big business. We can all contribute something in line with our resources.

It is encouraging to see that a number of companies are already doing this. For these companies, CSI and skills development considerations are now becoming a part of their business strategies. Yet still more can be done, be it financially or in kind, with programmes such as employee volunteerism and mentorship etc. More efforts on tracking results, measuring impact and investing in long-term outcomes must also take root among companies making social investments.

In order to start achieving this, the need for businesses to shift into being more conscious is therefore critical. Conscious companies are transformational organisations that are authentic in their purpose, ethical in their dealings and responsible with their relationships. They should value the people, communities and environments in which they operate and show

appreciation for hardworking and passionate staff and volunteers. This, I believe, should be part of the mission of all companies in the country if we are to see lasting change. As another colleague of mine would put it, we have moved away from an era where companies' core focus on shareholder value is shifted to shared value. Shared value is ultimately the strategy for developing the future market while also strengthening economies, the marketplace, communities, and corporate coffers.

Mark Kramer and Michael Porters' numerous works in this area emphatically challenge us by shaping the thinking that "giving away money is very different from solving a social problem". We encourage companies and foundations to think differently about their philanthropic goals, strategy and implementation of the systems and process to achieve those goals. For example, big business can support small business, and responsible business practices all round can drive societal development.



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Education and e-learning

Learning needs to evolve to include current digital advancements, to embrace specific new learning styles and technologies that will engross learners of different age groups.

New technologies have introduced changing educational tools such as classroom smartboards, the use of tablets, educational gamification, and the opportunity for online homework submissions. In addition, it's helping keep schools and students safer with some schools installing fingerprint technology and CCTV's in classrooms. WhatsApp is also increasingly being used as a tool for teachers and parents to share and stay connected.

Of course, e-learning has made knowledge acquisition more accessible, enabling young people to become more empowered.

However, with this it is also important to combine traditional class-based learning that encourages face-to-face interactions, empathy and compassion for others, communications skills and relationships with classmates that ultimately result in well-rounded people. Blended learning should really be at the core of our change and digital transformation efforts in education.

With the pending fourth industrial revolution and the need for more learners to enter STEM subjects and the IT/ICT industries, we need to all work together to ensure that all young people are increasingly introduced to subjects such as computer sciences and coding from an earlier age.

In conclusion, it's fair to say that whilst the non-profit landscape in South Africa faces many challenges; monitoring the industry, embracing new trends and encouraging all of society to play their part will result in a more optimistic and secure future for the sector and its beneficiaries.

Business and government have commensurate roles to play, government in creating an enabling environment through driving balanced policies aimed at influencing the development of the South Africa we want and the country we need; business and the funding sector taking increasing steps to leveraging CSI/CSR, BBBEE, philanthropy and similar legislations to achieve strategic business and country priorities.

In my mind, if we can find alignment and common purpose across all sectors, we will be on the right path towards the transformation we all seek.

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