

Survival of NPOs - saving a weakened sector

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With the impact of Covid-19 rippling through the economy with disastrous effect, the livelihoods of non-profit organisations (NPOs) are under threat at the same time as demand for their support services is rapidly escalating.



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A world without NPOs is unimaginable and untenable, particularly when we need to address issues of social justice and socio-economic inclusion.

The principles of dignity, equality and freedom to participate in all aspects of our society, as enshrined in the South African Constitution, are under threat. We live in the most unequal society in the world and the Covid-19 pandemic will do much to entrench this divide.

Implementation, monitoring, accountability challenges

We are pro-active as a nation when it comes to developing policies for upliftment, but we struggle to implement, monitor and hold to account the efficacy of these policies. While businesses act as suppliers of resources and government as a protector, it is NPO's that are the proverbial glue that binds us and ensures delivery of social justice goals.

Along with the ups and downs of global and local markets and ratings downgrades, Covid-19 will further contribute to a rapid contraction in employment opportunities.

The socio-economic inclusion of many citizens in our economy is already under threat and the coordinated effort between institutions and policies influencing productivity within our economy has been hit hard by the extended period of lockdown. Products and services from South Africa are less attractive than those in 59 other countries (*The Global Competitiveness Report 2019*) and as a result there will be less money available from the government through its tax collection efforts to support NPOs and promote socio-economic inclusion and justice for its citizens.

Since we live in a society, not in an economy, businesses and government should pay attention to what happens with the non-profit sector.



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Role as intermediaries

Non-profits contribute to many African countries' economies, yet we fail to recognise the multiple roles they play, especially that of intermediaries. Together with government and business these organisations empower citizens and contribute much needed skills and infrastructure - the building blocks of any economy.

The 'new normal' has thrust NPOs into a crisis where expectations to deliver support to citizens and communities are escalating during lockdown, while many are left wondering where the support to ensure their survival will come from.

As a result, something fundamental in the fabric of our society is being tested – the social contract that exists between NPO's as project implementers, and business and government as suppliers of resources and grants. Traditionally, this contract has been maintained through the moral agency of NPOs and their willingness to act at a cost well below what the market and government would deem viable for themselves. But this is now under threat as businesses across the country are suffering losses they had not anticipated, and invariably their support to NPOs will be curtailed.

Self-preservation is an undeniable approach for businesses but must not be overtaken with self-interest.



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Why should business and government care what happens to the sector?

NPOs are important for upholding and ensuring democracy and social justice. Their recognition as a key partner alongside the public and private sectors must be acknowledged and supported. We need to ensure that the social contract that exists is maintained. Failure to safeguard this will inevitably destabilise our democracy.

The resilience expected of the NPO sector and their 'do good nature' has been impacted in a similar manner to the private sector. Social distancing has played a role here. It is time for businesses and government to join hands with NPO's and treat them not as beneficiaries but as part of transformational partnerships that move beyond the transactional.

Business and government should include NPOs in a proactive and participatory way as we shape a post-Covid-19 South Africa. For this to occur, we need to recognise the leadership roles NPOs can play in order to achieve goals which were

not achievable before.

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