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MANAGERIALISM AT THE BOTTOM OF THE PYRAMID:

A CASE STUDY IN BRAZIL

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MANAGERIALISM AT THE BOTTOM OF THE PYRAMID: A CASE STUDY IN BRAZIL

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ACRONYMS

BoP – Base of the Pyramid (Bottom of the Pyramid)

BoP 1 – First wave of BoP literature (up to 2005)

BoP 2 – Second wave of BoP literature (2005 onwards)

BNDES – Banco Nacional de Desenvolvimento (Brazilian Development Bank)

CSO – Civil Society Organization

CSR – Corporate Social Responsibility

GA – Galpão Aplauso

HDI – Human Development Index

IDB – Inter-American Development Bank

IMF – International Monetary Fund

ISI – Import Substitution Industrialization

MNC – Multinational Company

NGO – Non-Governmental Organization

PPP – Purchase Power Parity

SAP – Structural Adjustment Programs

SME – Small and Medium Enterprise

UNDP – United Nations Development Program

WRI – World Research Institute

ABSTRACT

In the last decades, the Base of the Pyramid has been increasingly debated within western leaders as the new land of opportunity. With the advent of neoliberalism in the field of development during the 1990s, the role of Civil Society and Non-Governmental Organizations in particular started to be emphasized as being central in western strategies in the "South" of the world. Development actors however often approached these issues using traditional perspectives, which were usually out of context.

The thesis focuses on the controversy surrounding the use of managerial techniques in backgrounds that differ from those in which these tools have been developed. In particular, it seeks to understand to what extent managerialism – the ideology of management – is influencing the activities of a Brazilian Non-Governmental Organization, Galpão Aplauso.

The study, using a theoretical framework, analyzes the relationship between the NGO and its partners, underlining the results of ideological conflicts. Overall, it has been found how the encounter of Northern and Southern perspectives originated some debates that led in part to the acceptance of managerialistic ideas such as replicability and systematization of processes, while in some cases they escalated to resistance from the NGO towards concepts such as financial sustainability and transformation into a social business.

RESUMO

Nas últimas décadas, a Base da Pirâmide tem sido cada vez mais debatida entre líderes ocidentais como a nova terra das oportunidades. Com o advento do neoliberalismo no campo do desenvolvimento na década de 1990, o papel da sociedade civil e, em particular, o de Organizações Não-Governamentais, passou a ser enfatizado como sendo central nas estratégias ocidentais no "Sul" do mundo. Os atores do desenvolvimento, no entanto, muitas vezes abordaram essas questões utilizando perspectivas tradicionais, que estavam geralmente fora de contexto.

A tese foca na controvérsia em torno do uso de técnicas de gestão em cenários que diferem daqueles nos quais estas ferramentas têm sido desenvolvidas. Em particular, ela procura compreender em que medida o gerencialismo - a ideologia da gestão - está a influenciando as atividades de uma Organização Não-Governamental brasileira, a Galpão Aplauso.

O estudo, usando uma estrutura teórica, analisa o relacionamento entre a ONG e seus parceiros, sublinhando os resultados de conflitos ideológicos. No geral, descobriu-se como o encontro das perspectivas do Norte e do Sul originou alguns debates que levaram, em parte, à aceitação de ideias gerencialistas, tais como a replicabilidade e sistematização de processos, enquanto que em alguns casos, eles intensificaram a resistência da ONG sobre conceitos como sustentabilidade financeira e transformação em um negócio social.

1 INTRODUCTION

This thesis focuses on the analysis of managerialism within development initiatives at the Bottom of the Pyramid in Brazil. The investigation concentrates on Galpão Aplauso (GA), a Non-Governmental Organization (NGO) based in Rio de Janeiro. GA operates in the development field and its objective is to educate and train marginalized youngsters to then locate them in the job market. The research will in particular target the relationship between GA and its partners, among which emerges the role of the Inter-American Development Bank (IDB).

GA and IDB represent the South and the North of the world, two sides that in the development field are often seen as conflicting in terms of ideologies, in particular when dealing with the encounter of ideas regarding management in NGOs. The topic is a relatively unexplored territory compared with private and public sector management, for which literature abounds. Given the very broad topic, the thesis will emphasize specifically the role of managerialism surrounding North-South relationships between donors and NGOs. Managerialism is intended as the belief in the value of professional managers and their concepts and methods, assuming a superiority of tightly managed organizations as opposed to the collective value brought by those professionals that normally populate development organizations (Andersson, Liff, & Tengblad, 2014). For this purpose, a theoretical framework will be used as starting point to evaluate the presence of influences, specifically in terms of accountability, organization definition, capacity building and spatial strategies and discourses, which compose the major elements of managerialism (Roberts, Jones III, & Fröhling, 2005).

A fundamental task needed to be undertaken before dealing with the analysis portrayed above is contextualization. Indeed, the debate from which this thesis drew inspiration is a relatively small confrontation of ideas located within much broader disputes in the development field. For this reason, it is necessary to explore the different backgrounds that somehow shape the context in which the analysis will be brought forward. Topics for which this thesis will give a literature overview include the Base of the Pyramid (BoP) and its different strategies, the debate over neoliberalism and development and the role of Civil Society (CS) and NGOs. Each of these themes will be analyzed with a particular emphasis on the part that Brazil is playing, since it is important to consider that the South-American country is one of the main geopolitical actors

within the field of development. The full contextualization is available in the appendix (Appendix I, Appendix II and Appendix III).

1.1 Research Question

The analysis will rotate around one fundamental research question, which here is expressed in its broader form:

What is the impact of donors' neoliberal managerialistic influence on BoP strategies held by an indigenous NGO?

This research question can be applied in several other contexts involving an NGO from the South of the world being funded by organizations from the geographical and ideological North. Throughout this thesis, the NGO is Brazil's GA while the donor is U.S. based IDB.

1.2 Objective

The general objective of this research is to find, if they exist, commonalities and differences between donors (IDB) and beneficiaries (GA) regarding the management of GA and analyze them from a critical perspective.

More specifically, the objective is to investigate the consequences of managerialism in BoP strategies undertaken by an NGO in a developing country. This means understanding changes or conditions required by the donor in a direct or indirect fashion in the management of a BoP strategy in Brazil. NGOs are increasingly competing for funding and this often leads to a change in either objectives, management practices, or both (Lewis, 2014). The current literature highlights the conflicts between managerialism and professionalism in those situations. Such interplay remains a rather unexplored and crucial phenomenon for a large population of people and organizations in developing countries and elsewhere. Moreover, not much research has been undertaken on this crucial matter. The objective is to examine the extent to which those managerial changes took place at GA. More specifically, this investigation analyzes the managerialism vs. professionalism interplay, in order to understand if the latter has been displaced or 'destroyed' by the former (colonization) or if nothing really happened (de-coupling) (Andersson, Liff, & Tengblad, 2014).

1.3 Structure of the Thesis

The thesis will provide a theoretical background of management in NGOs, however the topic will be restricted to the role of managerialism.

With a solid theoretical base, the case of GA will be introduced. A brief description will be followed by its position within the development field. Later, the findings of the field research will be explained, followed by a specific section related to their discussion. Finally, the conclusion section will wrap up what has been found and discussed before, with the intent of clearly answering the research question.

It is fundamental to mention how in the appendix (Appendix I, Appendix II, Appendix III) a very ample contextualization is present. The contextualization includes a theoretical background surrounding several topics: Base of the Pyramid, neoliberalism and development, civil societies and NGOs. For each of the themes an overview regarding Brazil will be given. It is important to stress the reader how the contextualization is very important in order to fully embrace the case discussed in the main body of the thesis.

2 THEORETICAL BACKGROUND

2.1 Overview and Contextualization

Although the focus of this work is on management, it is impossible to completely grasp the concept if the context is missing or is not well developed. Indeed, this is exactly the issue at the base of this research: how is it possible to assume that organizations all over the world can be managed according to theories, frameworks and principles developed in very defined geographical areas? (see Appendix I, Appendix II and Appendix III for a full contextualization).

The great majority of academic work in management share some commonalities, in particular characteristics such as being written in English, being published in Europe or North America and being ranked by businesses from the same geographical regions (Faria & Cooke, 2013). This issue is further accentuated when dealing with NGOs, where the already scarce management literature is almost completely based on the Northern academic theories. Using a very critical perspective, it is possible to argue how managers involved in BOP projects have become "workers" of the protocol created in Boston (Lewis, 2014).

Before analyzing in depth how NGOs are managed, focusing in particular on the influence of managerialism, it is necessary to have an overview of the relationship between management and development-oriented NGOs.

First off, NGOs are sometimes reluctant to adopt even the most basic management concepts, for several reasons (Lewis, 1998):

- Priorities are elsewhere, not inside the NGO. This is typical of action-based organizations like NGOs, indeed
- Management costs money. Clearly this concept can be at times naïve, since management can actually save money "elsewhere"
- Growth is often unforeseen, leaving NGOs always one step behind in planning
- Management is an external imposition
- It is impossible to apply standard concepts in a context that can vary so much from the one in which traditional management theories were developed

Furthermore, even when some management principles are incorporated, there is a series of weaknesses, challenges and issues that affect NGOs (Lewis, 2014):

- Focus on short-term details rather than long-term planning
- An action culture which leaves too little time to learn and reflect from failures
- Emotional rather than rational commitments
- Difficulties in decentralizing decision making power, both within NGOs (leaderitis) and between NGOs and other development actors
- Increasingly difficult environment with strong pressures to improve professionalism while avoiding managerialism
- Difficulty in getting resources with terms as close as possible to those wanted by the NGO
- Difficulty in monitoring performances
- Difficulty in managing accountabilities
- Difficulty in balancing the needs of different stakeholders while maintaining the original founding values
- Inability to set clear organizational objectives
- Lack of a clear bottom line, unlike public or private sector organizations
- Wide cultural differences within NGOs and between development actors

It is clear then how these organizations find themselves in a limbo, where on the one end they are pressured, both from the outside and the inside, to adopt more managerial tools and discourses, with the risk of being flooded by managerialistic practices; on the other hand, they have to maintain their values and satisfy the needs of their main beneficiaries, that here are summarized as the "poor". To make things worse, they have to deal with these issues while being dependent on the financial resources of actors that are not the beneficiaries of their services, but that most of the times represent people and countries that are light years away in terms of context, compared to those in which NGOs are working.

2.2 Managerialism

Having established a context, it is now possible to explore the already mentioned concept of managerialism.

2.2.1 Definition

Managerialism is "*a term that captures the bundles of knowledges and practices associated with formalized organizational management*" (Roberts, Jones III, & Fröhling, 2005), which concept rests on the idea that if things are better organized they will improve (Lewis, 2014).

Managerialism is not management, rather its "*scientific construction, portrayed as a neutral and objective science, coupled with confidence in its potential and actual contribution to progress and prosperity*" (Girei, 2015). Managerialism is the idolization of management and for this very reason it must be treated carefully. According to different academics, spanning from left to right of the political spectrum, management goes from being completely rejected on the basis of being a soulless American invention aiming at extracting the maximum value for the shareholder to being idolatrized as being the only way for progress to surge, thanks to productivity and technological enhancements introduced by the manager, the owner of the key to positive change (Lewis, 2014). Without falling into extremisms, it is possible to assume how a meticulous application of management principles, carefully tailored to the context in which an organization is present, will provide the necessary effectiveness while maintaining intact the values pursued. This matter is of particular importance for NGOs, which are for the most part value-driven organizations (Lewis, 2014) working in the development field. It is exactly the managerialistic approach to development that mostly stirred up critics. While some authors may argue that "*management capacity is the lifeblood of all organizations*" (James, 1998), others, especially but not only from the field of Critical Management Studies, believe that it just boosts asymmetries between the North and the South of the world, contributing to the neoliberal push (see Appendix II). These thoughts are somehow backed by the old ideas of Gramsci (see Appendix III), who saw hegemony of the North over the South as an "*opinion-molding activity*" whereby some principles, which can include managerialism, are presented as universally valid (Girei, 2015). The risk then lies in the overemphasis of applying the right management tools in order to plan and control development, which may lead to a conceptual framework of "doing things right" instead of "doing the right things" (Lewis, 2014).

2.2.2 Diffusion

The concept of managerialism initially affected private organizations but quickly spread to NGOs for the crucial role they occupy within the development arena (see Appendix III, NGOs). The idea was for NGOs to adopt mainstream management techniques in order to maximize their effectiveness in the field of development. It is fundamental however not to lose sight of the opposite flow of influences whereby NGOs act as anti-hegemonic actors of civil society, fitting perfectly a neo-Gramscian perspective (Girei, 2015). In this latter case, these organizations have

the ability to propose different managerial alternatives, creating the way for a possible compromise of ideas.

Even though academics are aware of the existence of these two flows of influence, it has been difficult to exactly quantify which one is prevailing and in which context. As a consequence, the assumption that Northern managerialism is outpacing the counter-hegemonic flow still reigns true, especially considering its dominance in terms of power, which is strictly linked to the relationship with donors.

Donors are indeed the key actors in the diffusion of managerialism and for this reason they have been deeply criticized from different fronts. Donors are for the great majority based on the Northern regions of the world or are mainly funded by people, organizations and governments residing there. Consequently, they have fully embraced neoliberal managerialism, relying on standardized concepts and practices such as accountability, transparency, efficiency, double entry bookkeeping, strategic planning, project analysis, Logical Framework Analysis and so on (Roberts, Jones III, & Fröhling, 2005). This dependence on standardized management models is easily transmitted to the beneficiaries of their funds, of which NGOs are a great component.

On the one hand, there has been an increasing flow of money towards NGOs, especially those focused on development objectives and projects. On the other hand, however, the increasing reliance on foreign aid creates questions over the level of independence that NGOs still maintain in pursuing their goals. Edwards and Hulme hypothesize some detrimental effects of official funding (Edwards & Hulme, 1996):

- Foster replicability, in order to attain results on a larger scale, even though the comparative advantage of NGOs in the field is dubious
- Focus on service delivery at the expense of other less impactful (from the donors' point of view) activities such as advocacy (see Appendix III, NGOs, for all NGOs' activities)
- Weakening of the legitimacy of NGOs, diminishing their independency
- Distortion in the accountability, emphasizing short-term, quantitative results over longer-term improvements of qualitative and quantitative factors more significant to the real beneficiaries

The relationship between donors and NGOs is flawed because there is no clear link between the providers of funds and the beneficiaries (Lewis, 2014). The implication is that NGOs are

supposed to bridge the available resources towards the real needs of the beneficiaries. The issue however resides in the increasing competition among NGOs for funding, which leads them to accommodate donors' requests up to a point where it is possible to identify NGOs as service contractors rather than simple beneficiaries of funds. This unofficial contracting is paired with the increasingly official contracting stemming from stronger ties with the business sector, whose actors tend to externalize their Corporate Social Responsibility (CSR) activities to specialized third parties, or NGOs (Lewis, 2014). NGOs are facing mounting pressures to please donors, implying a strong focus on quantitative results and an increasing effort to conceal failures. While the efficient and effective use of resources is a noble objective, by applying rigid, standardized procedures to evaluate projects, donors are forcing NGOs to lose sight of their missions in order to avoid their withdrawal (Edwards & Hulme, 1996). The unfocused NGOs are not able anymore to engage properly with the local community, leading to a deterioration of meaningful bottom-up contributions (Girei, 2015). Constrained NGOs are not only losing sight of their missions, but they are also at risk of depleting their diversity and creativity, two characteristics that foster innovation in the development field (Lewis, 2014; Edwards & Hulme, 1996).

To conclude, the central role of donors in the expansion of managerialism contributed to what has been named "the perfect storm" in the NGOs environment. Criticism always surrounded the development world, especially NGOs, and debates have always been heated, but that was the beauty of having a space for discussion. What is happening now however is a dangerous and silent assimilation of current managerial narratives, maybe driven by fears of exclusion by those granting aid, which in the end will only damage the poor (Wallace, Porter, & Ralph-Bowman, 2013).

2.2.3 Framework

Susan Roberts and her colleagues developed a theoretical framework that greatly helps to better visualize how managerialism works inside an organization (Roberts, Jones III, & Fröhling, 2005). Throughout the rest of this work, Robert's framework will be applied in the investigation of a BoP initiative undertaken by a development-oriented NGO in Brazil funded by a bank from the North.

The researchers identified four major elements of managerialism: accountability, defining the organization, capacity building and spatial strategies and discourses. These major elements will

then be put in a recursive relation with each one of the key features of organizations: organizational culture, organizational structure and organizational projects.

2.2.3.1 Accountability

Accountability is defined as "*the means by which individuals and organizations report to a recognized authority and are held responsible for their actions*" (Roberts, Jones III, & Fröhling, 2005), and it is safe to assume that it is the key practical concept surrounding NGO's relationships with all their partners.

Accountability can be considered as upwards or downwards. While upward accountability is the most debated, since it involves the relationship with donors, it is actually downward accountability that should really count as an indicator of effective development actions (Lewis, 2014). Upward accountability is justified by the concept of transparency, but it risks to form a culture of reporting that would create an oppressive level of bureaucratization inside the NGO, at the expense of service delivery to the poor. Furthermore, NGOs staff is usually not suited to these kind of activities, which deeply contrast with the risky, active, value driven characteristics of NGOs projects.

The managerialistic approach that has been intensified on a global scale by the controversial advance of financial neoliberalism calls for more and better accountability. On a positive note, accountability helps organizations to work effectively and, most importantly for NGOs, it gives them legitimacy, a much needed quality as discussed earlier. On a further negative note, accountability can be seen as another requirement or conditionality imposed by external actors, which wouldn't exist if the organization were independent. Clearly, a balance must be struck in order to avoid complete illegitimacy, ineffectiveness or excessive bureaucratization and external pressure.

2.2.3.2 Defining the Organization

Defining the organization is intended as a formalization of the activities, as well as of the NGO itself. The requirements are different and vary in terms of closeness to Northern-based for-profit organizations. It is expected, for example, a legally recognized institutional form. The managerialistic expectations however also include vision and mission statements, implying an existence and extended use of strategic planning. The issue at stake here resides in the effort and

capabilities needed to accomplish the aforementioned tasks, as well as being able to find a compromise in terms of strategy between the ideas of NGOs staff and those of the donors.

According to managerialistic principles, an organization is also defined by its corporate identity. NGOs are increasingly expected to use their identities to create a brand image that could appeal to other donors, companies, state agencies or normal people. The aim is to exploit these images, even through real marketing campaigns, in order to increase legitimacy and funding.

These activities, aside from defining the organization from a managerialistic perspective, also help NGOs to achieve financial sustainability, which is also an element of organizational definition. Financial sustainability is understood as the ability to raise funds from a changing range of sources. Sustainability however does not necessarily suit an NGO, which is usually an organization with a very limited focus. Unlike a private company, NGO's success implies the achievement of its objective of solving a narrow developmental issue, with the consequence that there is no reason for it to continue existing, unless it changes its mission, vision and corporate identity. Sustainability therefore should be seen from a development perspective, which requires constant change.

The major critique to the activities just mentioned however lies in the amount of effort and resources needed relatively to their usefulness for a value-driven organization that has very little in common with Northern for-profit corporate behemoths.

2.2.3.3 Capacity Building

Capacity building is the equivalent of human resource development. The managerialistic perspective assumes a hierarchical and relatively rigid or flexible organizational structure, with clearly defined roles for staff. Furthermore, employees are supposed to receive internal training or are incentivized to participate in external courses and workshops. The objective of said activities consists in developing a range of skills which will eventually facilitate the achievement of prefixed levels of efficiency and effectiveness, which in turn will lead to an increased chance of creating an impact by the NGO.

> These concepts have been underlined also by a renowned strategic management consultancy (McKinsey and Company, 2001): All too many nonprofits focus on creating new programs and keeping administrative costs low instead of building the organizational capacity necessary for achieving their aspirations effectively and efficiently. [. . .] This must change; both nonprofit managers and those that fund them must recognize that

> excellence in programmatic innovation and implementation are insufficient for nonprofits to achieve lasting results. Great programs need great organizations behind them (p. 19)

What is being overlooked however is the ability of NGOs to achieve efficiency and effectiveness "otherwise", in a much more contextualized fashion. Moreover, the formalization of activities as well as the rigidities implied by a hierarchical organizational structure are at odds with the very flat structures used by many NGOs. In fact, it is important to emphasize how voluntarism is a strong component of development organizations, and organizational formality might have a detrimental effect on volunteers' motivations, which are mainly driven by passion and need for lightly-regulated action.

While on the topic of human resources, it is fundamental to highlight the role of the leader in an NGO. According to managerialistic principles, they are those responsible to foster adaptability and innovation inside organizational cultures and practices. NGOs leaders are often their founders and the organizations usually reflect their charismatic and entrepreneurial spirits. According to some academics, leaders are the single most critical element of NGOs since they are those that most affects the character of the organization, as well as often having the monopoly of communication with external agents (Lewis, 2014). This strong, people-centered leadership however may also inhibit change, leading to a so-called issue of "leaderitis". Some scholars called for ditching what has been named "US-based heroic model of leadership" and favor instead a more empowering model where other employees could, with time, acquire power and eventually facilitate management renovation (Mintzberg, 2010).

Before concluding the topic of human resources or capabilities, it is necessary to look at two other aspects that managerialist policies might overlook. First, it is important to remind how NGOs are often dealing with complex cross-cultural encounters both within the organizations and between different actors representing various sectors or NGOs (Lewis, 2014). Second, the issue of gender is often ignored. Many NGOs are founded and leaded by women, however most of the managerial principles are suitable to more masculine characters, implying a subtle rejection of these concepts by a great portion of NGOs (Roberts, Jones III, & Fröhling, 2005).

2.2.3.4 Spatial Strategies and Discourses

The diffusion of managerialism has been encouraged by the expansion of NGO networks, with a special role in BoP initiatives. Managerialism itself champions scale in order to pursue the

sustainability that has been already mentioned before. The spatial expansion is achieved through geographical networks with different actors present in distant locations, through spatial strategies that each NGO possess and through spatial discourses which consists in the use of managerialistic tools (projects, reports, evaluations) to bring together the different components of the network. Issues such as scaling up and reproduction are keys in the managerialistic discourses, and it is possible to distinguish between additive (increase in size), multiplicative (replication by other developmental actors) and diffusive (spread approaches beyond the sphere of influence) (Lewis, 2014).

Although the managerialistic logic assesses as success the expansion or replication of NGOs projects, there are some negative implications to take into account. The risk of losing touch with the context is far-reaching, with the grave risk of excluding certain groups. Furthermore, NGOs can fall victims of a "replication trap", in which an unrealistic pressure from donors leads NGOs to simply transferring knowledge instead of adapting their methods to the new, possibly different context, with the consequence of delivering poor results to the real beneficiaries (Lewis, 2014).

2.2.4 Managerialism vs. Professionalization

Managerialism is often opposed to professionalization, which focuses on the professional autonomy. This debate starts from what has been described as one of the main challenges that NGOs are facing, which consists in stepping up professionalism while limiting or avoiding the influence of managerialism (Lewis, 2014): "*criticized by governments for their lack of professionalism, NGOs are then accused of bureaucratization when they do professionalize*" (Smillie, 1995).

While some scholars tend to criticize also the culture of professionalization as pervasive (Roberts, Jones III, & Fröhling, 2005) and intertwined with the managerialistic one, other academics see one (managerialism) as trying to control the beneficial other (professionalism). Managerialism wants to limit the autonomy of professionals, that tend to decide unilaterally, without consulting management, based on trust and without being accountable for resource efficiency (Andersson, Liff, & Tengblad, 2014). The result of this conflict was understood to be the victory of either side. Managerialism could fail to influence professionalism in what was termed as "decoupling" or "organizational hypocrisy", or on the other hand it could achieve its objective, effectively "colonizing" the organization.

These zero-sum games have been contested, and an alternative solution was proposed: co-optation (Andersson, Liff, & Tengblad, 2014).

> Andersson and colleagues (2014) state: co-optation in its basic form can be defined as the process by which a spokesman for a certain logic, professional or managerial, meets external strategic elements and absorbs them into policy decisions. Co-optation is the adoption of a strategic element from another logic that retains the most important elements of its own logic (p. 7)

Unlike decoupling, something will change, and unlike colonization, there is no evil managerialism destroying professionalism. The idea consists on viewing professionals as actors able to use reforms in their favor.

2.2.5 Conclusions

The deep overview of managerialism outlined above was also the opportunity to explore the main topics of NGOs' management. It is of course possible to deepen the analysis in several different directions, but for the purpose of this work the four major elements of managerialism explained by the conceptual framework include the bulk of management principles used on a daily basis by NGOs.

To conclude, it is important to cite a variety of scholars portraying a wide variety of views over the influence of managerialism on NGOs. While NGOs complain of the burdensome practices, the real issue at stake are the "*tensions that arise from the deeply contradictory and political nature of managerialism*" (Roberts, Jones III, & Fröhling, 2005). In fact, some argue that NGOs are not "*victims of a brute imperialistic subjection*", but rather players in a negotiation with Northern donors over the adoption of conflictual development agendas (Girei, 2015). While some authors debate which side will dominate in the future, if one of "*diversity of structures and approaches*" or one of "*standardization and McDonaldization of NGOs*" (Lewis, 2014), others assume how the dominance of managerialism is just a temporary fashion which will soon be replaced by new ideologies, identifying the issue in the inability of certain professional groups to recognize the transient characteristic of managerialism (Brooks, 1999). Finally, some academics propose possible solutions. Relationships with donors are the focal point, and they should emphasize participation, learning, reciprocity and transparency, combined with stability and predictability in the long term but at the same time flexibility and timeliness in the short term,

while not forgetting how NGOs themselves should pay more attention to performance measurement and accountability (Edwards & Hulme, 1996). In other words, what is needed is de-westernized management knowledge that is able to help NGOs in reaching their objectives by staying as close as possible to the contexts in which they are working (Girei, 2015).

3 METHODOLOGY

Before specifically describing the methodology used for the research, it is important to stress the reasons that led to the development of this thesis. As a European student in exchange in Brazil, I was impressed by the academic environment and its criticality towards externally-imposed knowledge. After a deeper contact, I understood how I was framing the situation wrongly, assuming the worldwide applicability of management concepts developed mainly in regions representing a tiny portion of the world's population. After meeting Prof. Alexandre Faria and listening to his ideas, I was determined to discover if this Northern-influence was effectively flowing towards Brazilian organizations, especially those involved in the extremely delicate field of development, specifically with the BoP. Furthermore, I wanted to analyze if this type of influence was creating any conflict with the above mentioned organizations.

The thesis itself has been written using a critical frame, and it is fundamental to keep in mind this while reading it. It is also important to emphasize that for the same reasons I rejected the assumptions of universality of managerialism, I also didn't assume that Northern-based management concepts are universally harmful. The alternative structure and the non-quantitative approach used in this investigation reflect the willingness of non-conformity to standards that in other contexts, such as the Brazilian one, are considered "foreign". These remarks are specifically directed towards readers whose background might interfere with the correct framing needed to completely grasp the idea surrounding this thesis.

This dissertation is a qualitative research, although a small amount of quantitative data has been used to provide additional information.

All quantitative data is of secondary type and has been recovered from the IDB website in the section related to GA's projects or from a paper commissioned by the IDB in order to formalize GA's results (Calero, Diez, Soares, Kluve, & Corseuil, 2015).

Qualitative data regarding GA and IDB is of primary type, derived through in-depth interviews (Saunders, Lewis, & Thornhill, 2009). Two of the interviewees work in GA, while the third one is an employee of IDB. Some pseudonyms will be used instead of real names. Greta and Adrian work in GA, while Florian works for IDB. It is very fundamental to underline how their role is of primary importance in the management of GA and the relationship between GA and IDB. The contacts have been provided by my advisor, Prof. Alexandre Faria.

The interviews, following a kind of semi-structured design, concentrated on the management of GA around a few specific topics: general information about GA, relationship between GA and its partners, day-to-day management of GA, performance indicators, replicability, sustainability, accountability, human resources and leadership. The objective was to amount enough information from a non-intrusive and non-managerialist perspective – fieldwork at GA was somehow inspired by the concept of anthropophagy (Faria, Wanderley, Reis, & Celano, 2014) – to identify the extent to which the effective management of a BoP initiative undertaken by GA fit the managerialist framework developed by Roberts and associates (Roberts, Jones III, & Fröhling, 2005). More particularly, the main objective was to understand the managerialism-professionalism interplay within GA.

In total interviews lasted for around 5 hours – accompanied by field observations and informal conversations – and have been able to provide information that enabled the author to achieve the main objective of this thesis. The interviews have been first manually transcribed in digital format, then compared within them and between the theoretical framework in order to efficiently take out the most relevant and reliable information.

It is also important to mention the contribution of two other individuals. My supervisor, Prof. Faria, deeply contributed to the development of the theoretical background, especially regarding North-South relationship and managerialism. He can be considered an expert in the fields and his line of reasoning, outlined through several meetings, greatly helped the development of this thesis. Furthermore, I participated as a guest student to Prof. Faria's discipline "Strategy, Society and Government". The course, also thanks to the interaction and several learning activities with other students, helped a lot in order to grasp even more the debates surrounding the relationship and roles of private, public and civil society sector within the development field, in particular the role of management and its influences.

The other contributor is Paulo Vítor Del Rey da Silva, student at FGV and member of Educafro, a Brazilian NGO involved in helping marginalized people to get into higher education. Through an informal talk he described the issue of education in Brazil and the different strategies used by the government and NGOs (both Educafro and GA) to deal with it.

Together those off-site contributions provided a very helpful perspective for a critical qualitative inquiry, accomplished by a 'foreigner' from the North who was undertaking part of his studies in

management in Brazil, which had important implications for a large population of people involved in BoP strategies and initiatives in developing countries (comprising so-called ‘poor’ people, managers, students and researchers).

4 THE CASE OF GALPÃO APLAUSO

In this chapter the NGO taken as example is introduced, and the findings of the field research described. All information regarding GA, IDB and their activities stem from the interviews described in the methodology chapter above.

4.1 The NGO

GA is an NGO located in Rio de Janeiro, Brazil. The organization was founded in 2004 and has since grew to become one of the finest example of NGOs working with the BoP.

4.1.1 Context and Foundation

To better understand GA's operations, it is convenient to analyze the context and the motivations that led the founder to create such project. Rio de Janeiro is a city that perfectly represents Brazil: a marvelous city, with deep social issues. As already thoroughly explained in different section of the appendix (see Appendix I, Brazilian Overview; Appendix II, North-South Conflict and Brazilian Overview; Appendix III, The Situation in Brazil) Brazil has one of the most unequal societies. The issue is particularly evident in Rio de Janeiro, where high-class neighborhoods border several hundreds "favelas", as low-class communities are known in Brazil. The vicinity of these two worlds certainly contributes to the high levels of violence the city is still experiencing. Violence is often perpetrated by young, black males, usually residents of favelas. The founder, at the time successful business woman, was indeed victim of one of these attacks in her own apartment in Rio de Janeiro. Rather than separating herself even more from the marginalized part of the city, she founded GA with the idea of using arts to socially include youngsters in difficult situations (Faria, Wanderley, Reis, & Celano, 2014).

4.1.2 Método Galpão

Since its foundation, the methods used by GA drastically evolved. The initial idea was to develop young artists and introduce them in the art job market. A lack in demand however created difficulties in finding jobs. Rather than giving up, GA partially switched its focus on professional courses in order to train youngsters in a wide range of practical activities highly requested by the job market, such as industrial mountaineering, warehouse operators, security system technicians just to name a few. Furthermore, it became clear how these young people (17-29 years old) were lacking the very basics of education, as well as the behavior required to work in big, formal organizations. The introduction of mandatory courses in Mathematics and Portuguese, together

with “Values and Virtues”, indicated however the presence of a deeper structural issue the students were facing: their inability to learn through traditional educational methods. The emergence of such a challenge led the GA team – composed by Greta and mostly professors – to develop, together with the Federal University of Rio de Janeiro (UFRJ) an innovative method of education, now known as Método Galpão (Galpão Method).

Método Galpão is based on the difficulties of marginalized youngsters to learn through traditional educational approaches using rational methods (reading, listening, writing). These difficulties stem from the lack of an intellectual reasoning often caused by the absence of a paternal figure during the late childhood and adolescence, combined with an inadequate level of education provided by the Brazilian public school system as in many cases they abandoned school. GA students however make up their rational shortfalls with greater amounts of affection compared to non-marginalized people with similar profiles. What they have learned in their lives was taught by the figure of a woman (mother, grandmother, aunt, neighbor) in an oral way, compensating the cognitive intellectual deficit with affective wisdom.

Método Galpão’s objective is to bridge these two forms of reasoning by using socio-affective tools in order to create the necessary basis necessary to proceed with more complex educational and professional topics. Art is a central form of teaching used in Método Galpão, as its abstractness helps bridging students towards more formal methods.

The other peculiarity of Método Galpão is its ability to create the basis for an encounter of two very different cultures, that of the marginalized community on the one hand, and that of the big companies on the other hand. The central theme is about respecting the culture of the other: employers should respect the culture inside favelas and at the same time their dwellers need to understand and comply with the corporate culture of the organizations they are now working for. Método Galpão however is not limited to respect, but seeks integration of cultures. Companies seek employees carrying “individual virtues” (different sets of technical skills), which Método Galpão helps develop. Simultaneously, GA students are able to provide companies with “collective values” (solidarity, affection, sociability), characteristics that are often missing in the corporate world. The encounter and integration of these two culture is what makes Método Galpão successful, as employers in particular emphasize.

4.1.3 Structure and Figures

GA is an experimental space for ideas, affections and results. The NGO grew constantly throughout its life, even though it already went through difficult periods. At the moment, GA is able to deal with around 1,000 students per year, divided in two semesters. Demand for participation is much higher, with an estimates waiting list surpassing 3,000 people. According to Greta, the NGO has capacity for more students, however a lack of funding prevents this to happen. The success is spread through world of mouth thanks to the input of former students who have been positively impacted by their experience inside the NGO, resulting in GA being quite renowned throughout Rio de Janeiro.

Operating since 2004, GA formed several thousands youngsters from hundreds of communities situated in Rio de Janeiro. The positive impact of GA is mainly measured by the proportion of students who are able to get employed after the professionalization courses offered by the NGO. The current percentage stands at a quite impressive 87%. Although it is difficult to confront this figure with that of other similar initiatives, the IDB – one of the major donors of GA – conceded how this initiative is among the most impacting in the field of education and social inclusion. To formalize the perceived accomplishments, the same bank funded an academic research which found significant impacts both in terms of employability and income compared to figures typically established in the literature (Calero, Diez, Soares, Kluve, & Corseuil, 2015). To further support recognition of GA's work, the U.S. Department of the Treasury included GA among the "Exceptional International Development Projects" (U.S. Department of the Treasury, 2014). On a more informal note, Greta and Florian cite the appreciation of employers for the superior hard and soft skills of newly employed youngsters originated from GA, emphasizing in particular the solidarity they bring with them, faster learning curve, desire to learn and longer employment relationships.

In order to assist the students, GA grew from being a simple organization with a handful of volunteers towards a much more complex institution which staff is composed of around 150 people, all of which are paid and have a formalized contract. Of this total figure, 30 workers have functions related to the kitchen and cleaning services, 10 are responsible for the administration of GA and the remaining are directly involved with the beneficiaries, in roles that vary from project coordinators to professors to monitors.

A key component of NGOs is related to funding. Throughout its life, GA made agreements with several partners. The type of partnerships is variable depending on the counterpart. Some partners focus on employing GA's students once they are done with the training while others are solely donating money to support GA's projects. Partners mainly consist of big Brazilian companies, however there is an increasing interest from foreign companies. The public sector is not involved with GA as a partner for the specific desire of the founder. Among partners, stands out the relationship with IDB, started in 2009 and recently extended with a new injection of funds for the expansion of Método Galpão in other contexts. Since the figures are quite significant (a total of US$ 5 millions for the extension[1]), throughout the rest of the analysis the focus will be on particular onto the relationship between GA and IDB.

4.1.4 Galpão Aplauso in the Development Field

4.1.4.1 Base of the Pyramid

GA can be categorized as a development NGO as it is working with marginalized people that are part of the BoP. GA's beneficiaries can be considered poor from both a material and immaterial perspectives (Karnani, 2007; Arora & Romijn, 2011).

The lack of proper education is part of the latter, while regarding the former GA has established a monetary limit (family income) above which people cannot be admitted inside the NGO. The limit has been set at 1.5 times the minimum salary, equivalent to less than R$ 1,500, roughly representing class E of the Ministry of Strategic Affairs classification (see Appendix I, Brazilian Overview for a background of the BoP in Brazil).

The integrating role of Método Galpão reflects the overall bridging functions of GA, which is seen by its founder as an organization lying between the center and periphery of the world. In its semi-peripheral role, GA aims to bring people living in the periphery towards the center. What GA is seeking however is the acceptance of the marginalized by the center. Acceptance can only be acquired though a contribution of the former towards the latter, both in the production and consumption process of the center. GA prides itself of not being a philanthropic organization, emphasizing the necessity for acceptance rather than simply transferring the marginalized person into the consumption process of the center.

[1] http://www.iadb.org/en/projects/project-description-title,1303.html?id=BR-M1128

This argumentation is somewhat contrasting with BoP 1 strategies (Prahalad & Hart, 2002) (see Appendix I for a deep discussion of BoP and the different strategies developed to tackle this issue), supporting those criticizing the idea of the poor as simple consumers (Hart, Simanis, & Duke, 2008). Also BoP 2 strategies are distant from GA's approach, which is not seeking to bring MNCs to operate at the periphery, rather to lead more people from the periphery to the center, enlarging it. GA does not focus on economic value as wellbeing improvement, rather it targets capabilities and social capital, which are the central arguments of the different authors debating the former BoP strategies (Sen, 1999; Ansari & Munir, 2012). Furthermore, in GA it is possible to identify the concept of intra-group bonding and intergroup bridging. Intra-group bonding is related to the "collective values" which characterize marginalized communities, and which are indeed already well developed, up to a point where GA considers them an asset for employers. Intergroup bridging is exactly what GA is seeking to achieve, which is the integration of marginalized youngsters with possible employers.

4.1.4.2 Neoliberalism and Development

GA suits perfectly the NGOs-led bottom-up approaches envisioned after the early 1990s impasse in the development field (see Appendix II for an overview of the debate over development and the role of neoliberalism). Furthermore, it can be seen as a starting point for a discussion of development "otherwise", or "decolonial-dewesternized" (Faria & Cooke, 2013). Indeed, GA targeted education as one of the roots of social inequality in Brazil, however it did so through an innovative method that can be defined as critical to the traditional top-down approach, following the ideas of Brazil's famous educator Paulo Freire.

GA however didn't quite stop to the educational method in its criticality to the dominant logic of development, as it represents the encounter of different ideologies. It therefore offers a good scenario where it is possible to study the interplay between managerialism and professionalism, represented in the first case by the external partners and in the second by GA's staff. Another peculiarity of the NGO lies in the chosen geographical location, a warehouse (therein the name Galpão Aplauso, or "applause warehouse") located in the port zone of Rio de Janeiro, not far from the financial center but relatively distant from both the noble neighborhoods of the city's South Zone and the favelas home to GA's students. This characteristic is distinctive of GA as it is contrary to the traditional approach of operating on the marginalized turf. The decision has quite a few symbolic and practical implications. First and foremost, it suits the vision of GA as being

the bridge between the periphery – or several different peripheries, as GA is involving students from hundreds of communities, each of which has its own culture – and the center. Furthermore, it escapes from the neoliberal logic of intervention inside the marginalized communities that enhances their isolation and at the same time it liberates itself from the power of drug dealers who are usually managing these favelas (Faria & Cooke, 2013). It is also worth noticing another practical implication, related to the need of providing transportation and food to its beneficiaries. While these measures imply higher costs, they also contribute to the encounter and integration of different cultures, building up social capital, while at the same time they improve the students' diet, which is typically lacking in terms of healthiness and nutrients and therefore potentially harmful towards the physical and psychological health of these marginalized youngsters.

4.1.4.3 Civil Society and NGOs

As a formal NGO, GA is part of civil society. GA is filling up a hole left by the State, respecting therefore the neoliberal view of civil society. It must be said however that the State is not voluntarily giving up its functions in the area where GA is operating, rather it is providing a service which is unfortunately of poor quality. It is worth pointing out how Greta has already worked in the public sector and is maintaining a good relationship with BNDES, the Brazilian National Development Bank. As a consequence, it is safe to assume how the neoliberal imperative is not imposed, rather it is the results of different contexts. Nonetheless, this issue poses some questions: is it fair that the IDB funds – where Brazil is also a contributor – go towards an NGO rather than the State, the original provider of the service? Is GA more efficient and effective than the State in providing this service? Should GA and the State work together to integrate the two systems? These are very broad questions that are not going to be discussed here, however they are interesting in order to have different perspectives of so-called civil society. It can be argued that only the state has the necessary resources and legitimacy to undertake the efforts needed in order to tackle big issues such as education. GA however is just doing an initial effort to initiate change. Conversely, GA is probably contributing to what Mintzberg envisioned for the plural sector: balancing society (see Appendix III in order to have a background about civil society and the NGOs world).

Given the definition of NGO (Appendix III, NGOs), it is possible to see how GA fully respect all the conditions. It is possible to identify GA as in implementer, since it is offering a service in the field of education. Interestingly, also the role of catalyst would be suitable, however this function

is not fully exercised for multiple reasons. First, given the limited amount of resources, GA prefers to direct them towards service delivery, a function that has an immediate impact on the beneficiaries; second, the NGO must respect agreements with partners, which donated money specifically for offering services and not to practice advocacy; third, the State itself, which should be the recipient of GA's efforts if it had catalyst functions, is not listening to GA's proposals, making the NGO struggle to create an impact from that specific point of view. A third type of function NGOs might have, is the one of partners. From a certain point of view, GA acts more like a partner than as an implementer. Indeed, its relationship with several private sector companies is based on the education and training of marginalized youngsters that will afterwards be hired by these donors, looking very similar to a business service with social impact contracted by those companies in exchange for donations. It is evident then how NGOs functions, in practice, are not as easily identifiable as the theory assumes.

Moving forward in this travel through theory, a big chapter must be open over the issues of North and South. GA is an interesting example of North-South integration of ideas. Being a Brazilian NGO, it represents the South and although many of its partners are Brazilian, there is one big donor, IDB, which is based in Washington, DC and consequently represents the North. IDB is a development bank which objective is to improve lives in Latin America and the Caribbean and it is doing so through financial and technical assistance. The BoP has been chosen as the umbrella strategy of the bank in Latin America. IDB is itself a very interesting organization. It is headquartered in North-America and it is funded by countries all over the world, with a predominance of Western countries over the Latin American ones. The project it supports are based in Latin America and the Caribbean and are often managed and supervised by the local branch of the bank, which is usually ran by local employees, as in the case of GA. This poses a quite interesting and challenging confrontation of ideas, especially regarding the management of GA, which might be summarized with a simple question: to what extent and how is GA influencing or being influenced by neoliberal managerialism?

The objective of this work is indeed to find an answer to this question, in particular from a managerial point of view, and an entire chapter is going to take care of this issue. Before doing that however, it is crucial to analyze GA in light of the different perspectives of North-South relationships outlined in the appendix (Appendix II, North-South Conflict and Brazilian Overview; Appendix III, NGOs; Appendix III, The Situation in Brazil). GA is not immune to

many of the critics towards NGOs, in particular after discovering the importance of IDB for GA's survival. Some can argue how the IDB funding can be seen as an attempt of neocolonization: given GA's dependence on Northern donations, isn't the NGO simply implementing IDB's agenda? Isn't GA at risk of becoming a "Trojan horse for global financial neoliberalism"? Although these issues are real, it is quite reductive to see GA as an IDB puppet, just capable of being influenced. GA has a strong identity from an equally strong leader and most of all, this identity is rooted in the South. It is not an "*agent of modernization destroying local cultures and economies*" (Escobar, 1995) and it is not even a propagator of western values motivated by financial resources. GA is mainly implementing the founder's agenda at large, not just IDB's, and it is successful in doing so. Of course there are some minor conflicts over priorities in GA's agenda, with IDB pushing for replicability and sustainability while GA is more focused on service delivery from a communitarian standpoint.

In the next chapters these issues will be made more clear, for the moment the important concept to grasp is that GA is an NGO capable of pursuing its own objectives and stand by its values even though it depends on IDB's funding. Actually, before concluding this section, it can even be argued that GA influences IDB. It is important not to assume that influence only flows in a North-South direction, because it might be well the case that GA is somehow influencing IDB policies. As a reminder stands the case of CEPAL, part of a Northern organization but capable of generating knowledge "do externo gerado a partir do interno" or Southern knowledge developed within a Northern institution (see Appendix II, North-South Conflict and Brazilian Overview for the full story of CEPAL). The fact that IDB learns from its projects thanks to a kind of managerialist system involving funding, monitoring and information exchange means that IDB is developing, as well as extracting, knowledge from Southern contexts, which can be seen as a type of influence that flows in a South-North direction.

4.2 Findings

After delineating the position of GA in the development field, it is finally possible to illustrate the findings of the field research relative to managerialistic influence over GA. As already mentioned, this section is going to follow the structure of the framework developed by Roberts and her colleagues (Roberts, Jones III, & Fröhling, 2005), describing in particular the four elements of managerialism and the relationship with the various aspects of the organization, such

as its culture, its structure and its projects. This section is limited to transcribe the findings that are relevant for the objectives of the thesis, without any further comment or comparison with opinions delineated throughout the previous chapters.

4.2.1 Accountability

Generally speaking, GA signs technical agreements with its partners, which contain obligations for both parts. In terms of pure accountability there are several systems in place, each for every partner. These systems considerably vary in terms of flexibility and requirements, but all are based around the concepts of reporting and indicators. Reports need to be regularly sent to partners at different time periods – one month, one quarter, 6 months or one year – and vary considerably regarding the information that must be included. According to Adrian, IDB's requirements are the most complete and must be carried out using standardized forms that include quantitative performance indicators and a written report summarizing the activities and the results achieved. Another particularity regarding IDB accountability requirements is the necessity to translate everything into dollars, because reports need to be standardized over all Latin America and the Caribbean. In general, all partners require a written summary of the activities and the list of all expenses incurred, including the original receipt. This last requirement in particular demands a lot of time and Adrian is mainly responsible for the task. In order to better manage expenses, GA set up an internal monthly review where all the different items of a project are evaluated and corrective actions are eventually enforced. Reports are usually not accepted in the first place, as they normally contain some minor accountability mistake or some of the receipts are not readable anymore. According to Adrian, there has never been a case of a completely rejected report that might have threatened the relationship with the partner.

Overall, accountability varies from partner to partner, as already said. Some are interested in both quantity and quality of results and want to know how their money is spent it this regard, while others are just interested in knowing that GA will be able to achieve and show some results. According to Greta, this is also the reason why she prefers private partnerships to public partnerships. Public donations are complicated because they require formal and rigid accountability systems where it is possible to justify in a very detailed fashion how the taxpayers' money is being spent. When dealing with the private sector, this pressure is considerably less and therefore it leaves more space for experimentation compared to the public sector. Regarding IDB, although it is not part of the private sector and has the most detailed requirements, Greta praises

their effort to contrast rigidity and stimulate experimentation. This affirmation is also backed by Florian, who commented how it is "*totally nonsense to predefine what is going to happen*" in innovative NGOs like GA. IDB has a set of general rules that GA is required to follow[2] (accountability standards and administrative controls), however the accountability system is not very strict firstly because the bank does not want to curb the innovation potential of GA and second because it makes no sense to control an innovative mindset. These ideas changed throughout time, as admitted by Florian, who mentioned how in the past the accountability system was much more rigid and provided for sanctions – up to cancellation of projects – if requirements were not met. Florian conceded that if the same accountability system were to be used with current projects, many of them wouldn't have survived.

4.2.1.1 Performance Indicators

The quantitative performance indicators are mainly based around employability and income, the two key indicators of GA impact. There are more specific indicators regarding the length of employment relationship, the type, the sector, the difference in wage and so on. IDB also requires indicators relative to the whole organization, such as the number of partnerships, the amount of money raised and other characteristics not related to specific projects.

According to Greta, although the most important indicator – for which GA is famous and received a renowned prize – is the one about employability, which is currently standing at 87%, the one for which she really cares is the qualitative indicator contained in the testimony of employers, which usually praise GA students for their excellent behavior at work. This informal indicator reflects GA's true objective of "*developing a human being that is going to qualify human relationships*". Greta further "criticizes" another quantitative indicator relative to the number of diplomas released. According to her, this indicator is not relevant because "*in a country where the education level is so low, having a diploma means nothing*".

It is worth noticing how IDB tried to introduce a formalized qualitative performance indicator to measure the improvement of youngsters' behavior. According to both Adrian and Florian, this type of indicator, although very useful, is extremely difficult to report as it is very subjective and as a consequence has been later discarded. It is very important to underline how internally GA still keeps track of such qualitative indicator through the activity of monitors. Monitors are GA's

[2] Technical Agreement for project number ATN/ME-11720-BR, signed November 4th, 2009

employees, often ex students, who are responsible to take care and monitor students. Their job is fundamental as it is needed for both accountability upwards and downwards. In the first case, since they are in constant contact with the beneficiaries, they are able to supply high-quality information and data regarding the project, both at quantitative and qualitative level. In the second case, since they are young and often ex-students, they are able to create a relationship that improves trust in the student, who is more willing to speak out if things are not satisfactory or if there is space for improvement. The concept of accountability downwards is also emphasized by Greta, who prides herself by saying that "*project coordinators always claim that I listen too much to the students' complaints*". She admits it is true, claiming it is justified by the fact that students know if something is going well or otherwise and are going to say it without any kind of filter. "They are GA inspiration" she admits, therefore they have the power of altering the processes, if necessary. GA is capable of continuous learning, from sources coming from the inside (GA professors), outside (private companies), upwards (IDB) or downwards (the marginalized students), but more than that Greta claims that GA and especially Método Galpão are structured in such a way that they are always changing, always ready to experiment.

From the IDB standpoint, Florian emphasizes the importance of quantitative indicators, justifying it with the greater appreciation from donors. He reminds us however how indicators are relatively useless if they cannot be compared with those of other similar projects. He points out that it is not easy to encounter NGOs with similar characteristics and similar indicators. Furthermore, IDB ordered a study for GA which aim was to evaluate the effective impact on the marginalized youngsters. The study (Calero, Diez, Soares, Kluve, & Corseuil, 2015), which compared an intervention area with a control location, was on one hand successful in delineating GA's impact, but on the other hand was quite expensive, according to Florian, who commissioned the study because he felt that "*we had a diamond in our hands*". Impact studies like the aforementioned one are quite uncommon and normally indicators are just compared with the objectives stated at the beginning of the project. To conclude this part regarding indicators, Florian points out how each project is customized and therefore possess its own indicators, usually developed jointly with the counterpart. IDB has of course vast knowledge regarding indicators, derived from past projects and from an R&D department where tools and new methods are developed.

4.2.2 Defining the Organization

GA is a formally registered and independent NGO. Throughout its life, GA's identity went through swift changes. It started off as a very informal organization, where administration was "messy" (bagunçada) according to Adrian. Slowly, GA started to systematize in order to survive. This formalization, according to Adrian, started within GA as a natural reaction towards survival. Greta defines early administration as simpler and naïve: "*it was simpler because we were not aware of the problems*". In fact, having been earlier involved with private and public companies, she confesses how it is much more difficult to manage an NGO given the lack of a clear bottom line unlike organizations from other sectors. GA, unlike these other organizations, maintains a much more dynamic identity, where everything changes continuously, according to Adrian. This dynamicity is also a reflection of GA's dependency on donors.

4.2.2.1 Involvement of Partners

The figure of the donor, or partner, is central for GA. Citing Adrian, "*the partner is making our day*". Usually the project and the agenda are developed together with the partner. Once the project starts, GA has to comply with the accountability system described above while trying to achieve the planned objectives. While the project is ongoing, the activity of the partner varies. Partners usually do get involved in the management of their respective projects, monitoring progress and proposing improvements if necessary. Greta claims she appreciates partners that show up at GA to check status and provide advice because they enrich the NGO. Generally speaking, GA's partners do not just provide money but they do stay in contact with the NGO and in particular their projects.

Partners usually do not interfere with the internal administration of GA, but they do have 'soft' tools through which they can control and monitor GA's administration. By means of their technical agreements, partners can beforehand decide which proportion of their donation is supposed to be spent for the administration of GA. Although the figure has not been specified, Adrian claims it is on the low side of what GA needs, because partners prefer to see their money go to actual service delivery rather than "bureaucratic" activities.

IDB is a bit of an exception regarding partners. IDB finances the whole range of GA's technical projects, excluding those related to purely artistic courses. According to Florian, the level of intervention of IDB depends on the level of support needed by the organization. In the case of

GA, financial support is backed by a large amount of technical support which aims at more sensitive topics such as organizational change, networking, strategy planning and so on. Moreover, Florian claims that IDB's recognition is particularly instrumental to GA for helping to open doors.

Overall, GA is quite satisfied by its partners, especially regarding their involvement in the projects they finance. Normally it is GA's responsibility to search for partners and propose the initial project, activities that are mainly carried out by Greta. GA has some standards regarding partners. In the past, a partnership involving much needed money was refused because, as Greta claims, it could have threatened GA's future credibility.

4.2.2.2 Sustainability

When IDB first started its relationship with GA, it posed quite a few challenges to Greta, according to Florian: standardization of Método Galpão, creation of an observatory in order to transform the job market insertion model from push to pull (in order to respond to market demand), financial sustainability of the business model and replication of the project. The idea of sustainability was particularly emphasized in the beginning, and all the other challenges were somewhat aimed at achieving sustainability.

The idea of sustainability stemmed from seeing how GA's could serve well business purposes, as well as contributing to improve marginalized people lives. IDB thought that by training youngsters, not only their lives were improved but those businesses that later hired them ended up with specialized employees with superior work ethic. GA's capabilities could also be used to train low wage workers or to reduce costs in the hiring process of big companies. Florian claims that GA, instead of asking for donations, could sell its services as if they were business to business transactions. The idea of transforming the business model from being donation driven towards a more traditional one driven by business services requires a change in the mindset of GA and in particular of Greta that, according to Florian, is not quite feasible at the moment.

There are further opportunities for GA to become independent form current donors, like selling merchandising or becoming a social impact operator for the government, however they all require a change in mindset. According to Florian, as long as GA has donors' money to be able to do business as usual there will be no motivation to become a social business. When time and economic pressures will arise however changes will be pushed forward, according to Florian.

When that time will come, IDB is willing to help to exploit all possible sustainability opportunities.

The idea of financial sustainability, according to Florian, is also necessary to scale the project and to create the basis for a successful change in leadership that will eventually take place in GA. To solve these two issues GA needs specialized managers, but it is currently not able to afford them. Only through financial sustainability the right people will be hired, claim Florian, and with them the possibility to successfully expand the projects.

4.2.3 Capacity Building

4.2.3.1 Organizational Structure and Processes

GA does not have a formal organizational structure. According to Adrian, the informal existing structure is very flat and not hierarchical at all. It is possible to distinguish Greta at the top, considered the leader of GA, but then roles are not clearly separated. Every project has a technical coordinator and an executive coordinator that are supposedly just below Greta in the hypothetical hierarchy. Adrian however admits that although his functions are clear, it is not evident where he is positioned within GA. These issues are even less transparent the further down the chain we go.

This very flat and informal structure, according to Adrian, really suits the dynamicity needed by GA for the environment in which it is operating. The downside however, always using the words of Adrian, is that it is often unclear on who has the power over someone else and who is responsible for specific functions. This implies that at times some responsibilities are not taken care of. When these situations eventually happen, it is Greta who steps up and takes full control and responsibility of the scene.

Adrian calls for more formalized processes in GA in order to avoid such critical situations, however he is aware of the delicate equilibrium that must be maintained in order not to lose the fluidity and dynamicity typical of the organization. He comments anyway how, in his view, things have improved during the past years. In line with IDB's idea, Adrian suggests how more administrative employees are needed, with a specialized background if possible. GA, in his focus towards service delivery and social impact, always stuck with relatively low budgets for management and administrative departments. As a consequence, according to Adrian, who has a bachelor's degree in economics, the NGO was unable to hire the right people for the job in terms

of specialization, especially for the aforementioned departments. Although many of GA's employees do posses a university degree and are extremely motivated and suitable for the type of environment, their specialization is often not appropriate for the functions they are currently responsible for, in particular for roles of HR and financial accounting. In addition to people-centered improvements, Adrian suggests the introduction of an information system to formalize flows of information within GA, as well as a serious database that might substitute the current shared Excel document used to keep track of all data.

The issue of finding specialized personnel has also appeared when contracting external help. IDB's objective for GA was to build an observatory to constantly check the type of labor demand in the city of Rio de Janeiro. To develop such platform, external specialized consultants were needed, however Florian claims how it was impossible to find suitable profiles – 4 consultants were approached – suggesting how the type of innovative work that GA is undertaking does not easily fit the background of most people specialized in required fields. The observatory idea was eventually discarded and resources redirected towards the original GA service.

The overall standardization and formalization of processes within the NGO is necessary, according to Florian, to attain improvements in productivity and transform GA in an efficient and effective organization. Furthermore, the formalization of processes and methods, such as Método Galpão or the research commissioned by IDB, are also contributors to the credibility of GA as a development NGO, and as Florian stated, they help to open up many opportunities.

When dealing with partners, according to Greta it is possible to feel a cultural difference between GA and IDB in particular. Although there is some resistance coming from the bank's employees, Greta claims how GA is always the winner. Conflict is described as the clash between the American, result-driven component of the bank with the more socially focused behavior of GA. These debates, according to Greta, contribute to improve both organizations since they learn from each other.

Before moving to another fundamental topic discussed through the interviews, it is important to refer one particular reasoning coming from Florian, regarding IDB learning process. He admits that while there is a system in place for learning from past projects, and there exists also a database containing an enormous quantity of information, the key is always human capability. It is impossible to write down and manage all the knowledge that has been acquired, which will

mainly reside in the person that had the opportunity to learn. He emphasized therefore the role of people rather than formalized processes in this particular context.

4.2.3.2 Leadership

GA has a strong leader, Greta. Both Adrian and Florian praise Greta for her strength and willingness to fight for GA and for a better world. Florian also claims how an innovative organization such as GA always needs a champion, and Greta has been fundamental in covering said role. According to both Adrian and Florian however, there is a high degree of dependency of GA on its leader. Adrian claims how the addiction was much more accentuated in the past, while nowadays the team was able to develop some strengths and is working towards a direction where it will be able to walk without Greta.

IDB is also working on this front by trying to institutionalize Greta, which basically consists in bringing to paper all the knowledge relative to GA present in Greta's mind. This task is also useful, according to Florian, in order to achieve the sustainability that has been explained in the previous section.

While on the subject of leadership and GA's future, both Greta and Adrian expressed a concern related to the young employees of GA. They both doubt the fact that young employees, especially those working in the administration or as monitors, will still work for GA in the future. The reason lies in the fact that there is no space for professional growth, which is also dictated by a very flat informal structure. The opportunities to develop a career within GA are extremely narrow, basically limited to taking over Greta's spot. Greta and Adrian are concerned that this issue will demotivate employees who will eventually leave GA, creating an environment made of relatively short employment relationship, which will not fully contribute to GA's cause.

4.2.4 Spatial Strategies and Discourses

GA is an NGO operating to bridge periphery and center of the world, and for this reason Greta defines its space as "semi-peripheral". She claims she doesn't want to work inside favelas but at the same time she is not willing to work from inside the center as a consultant for companies, contrasting a bit Florian's idea of sustainability. From this point of view, the spatial strategy of GA is to enlarge the bridge in order to bring marginalized people further into the center, not just at its frontiers. As Greta says, the further someone is able to land into the center, the closest he or she gets to have choices, which is something current students still don't have.

On a more practical perspective, GA is also seeking scale through replicability. This project is pushed by IDB, especially since the renovation of the technical agreement. The program is set to last 4 years and is based on what IDB calls “knowledge transfer”.

The plan consists in systematizing the process of knowledge transfer and to find other NGOs and organizations willing to use Método Galpão to train marginalized people from other areas of Brazil, South America and even the World. The established objective is to reach 2,800 students outside GA, which will be achieved by teaching (transferring) the method to the selected NGOs through GA own professors, followed by strict monitoring that will progressively fade until the external NGO becomes independent. The process is quite long and resource-intensive: teaching and full time monitoring will take one semester each, followed by another semester of less intensive observation.

The project started very recently in Paraty, a small town not far from Rio de Janeiro, with apparently good initial results according to Greta. Paraty is not considered a full scale expansion as it is fairly close and consequently current GA’s staff is able to manage both normal service delivery and knowledge transfer. Pressure on GA will eventually increase once other NGOs will be found in regions further away, requiring full time employees and consequently new recruitments. As Adrian mentioned, these issues are already foreseen in the technical agreement with IDB, however they will nonetheless create pressure on the already delicate management of GA.

On a longer term horizon, IDB also included foreign expansions of Método Galpão, to be achieved through new partnerships with local development banks which would in turn connect GA to local NGOs. Greta is supporting this replicability policy, admitting how “*the periphery is very similar around the world”.* Greta and Adrian agree that if what they are doing is having an impact, and if the impact is good, then it is necessary to expand in order to reach more people and achieve an even greater accomplishment. While Florian emphasizes how GA is relatively easy to replicate, Greta and Adrian are not as optimistic, however they point out the support and motivation of the whole organization.

Eventually however, Greta admits, it is the State that should take care of this structural issue. Florian, when asked about the State’s role, was not optimistic and forecasted that NGOs like GA will still be needed for a long time.

5 DISCUSSION OF THE RESULTS

Following the description of the findings, it is necessary to dedicate them an in-depth analysis, supported by the theoretical concepts exposed since the beginning, as well as in the appendix. The discussion will be undertaken with a focus on managerialism, which is the core question at the base of the thesis. When introducing GA, it has been discussed its position within the development field. It is fundamental to remind the reader how important it is to always consider the context before imposing some mechanism of colonization and reaching a judgment; it is critical to read the following paragraphs while always taking into consideration the aforementioned sections.

GA is a Brazilian NGO, extremely value-driven and dependent on private external funding due to its refusal to accept public funding. To complicate things further, its major donor is IDB, an U.S. based development bank which is supposed to support development in Latin America and the Caribbean, mainly through the questionable BoP approach, while having to respond to mainly Western/Northern financing mechanisms and structures. This scenario, from an anti-colonial or decolonial point of view, looks daunting. Moving things further, left or right, the perspective gets more attractive, as it stands as either the ideal base for a conflict of ideas in Gramscian style, or as the starting point for an injection of managerialistic concepts that will eventually lead to the liberation of the marginalized people – including managers of local organizations and local academics attached to the concept of BoP – thanks to greater effectiveness in the service delivery of the NGO.

Unfortunately for those supporting any of these theories, none of these scenarios appear to be reasonable. GA is a successful NGO capable of having a significant impact on ‘poor’ youngsters it is targeting, while at the same time it is able of maintaining a largely independent identity despite being at the dependence of external funding. A major issue to be taken into account is that the ‘poor’ youngsters from the BoP have been impacted by GA but also have impacted GA as a kind of quasi-organization, as suggested by the work undertaken by Faria et al (2014). It is clear that GA is subject to external as well as internal pressures and it is evident that some influences have been assimilated through different mechanisms of management. Nonetheless, these decisions were the results of compromises rather than defeats. Most of all however, it is interesting to notice how there is a healthy debate going on between actors in the development

field (GA and IDB) in order to find better ways to help those at the margin that have been overlooked and overshadowed by the BoP literature and corresponding managerialist influences (Faria & Cooke, 2013). In order to better understand the managerialist side of BoP initiatives within GA, it is useful to go through several practical 'managerial' examples of what has happened within and around the organization.

Despite being born as very dynamic and informal NGO, GA naturally developed a desire to incorporate formalities and standardized procedures. While there are differences of thought within GA and between GA and its partners, in particular with IDB, it appears as if there has been a realization of how naïve is to pretend that management tools and formalized structures and processes cannot be part of NGOs. Indeed, it is an internal GA employee who calls for systemization, citing difficulties in understanding roles, responsibilities and assimilating processes. On the other hand, if one reads the technical agreement between GA and IDB, it will appear as if the development bank wanted to push hard for a general strengthening of (a particular kind of) management within GA. What happened however was a gradual and critical encounter of ideas, where GA progressively started to formalize its processes through processes of assimilation, translation, and reframing. According to all the interviewees, some small conflicts arose, but they were quickly solved favoring GA instead of the more managerialistic approach envisioned by technical agreements. It is worth pointing out that these compromises are not only the result of abilities and willingness of GA in maintaining its identity, but also of IDB representatives' capabilities in understanding contexts and adopting a longer-term view of the complex situations within the development arena. These compromises can be seen in the accountability systems and in the performance indicators developed. Although there is space for improvement – see the necessity to change all figures to dollar values – overall accountability is not very rigid, leaving GA with ample space for experimentation and to further develop its innovative identity. Yes, a culture of reporting has been partially initiated in GA, but on the other hand the increased accountability has also favored students, who have plenty of opportunities to speak out.

Regarding indicators, it is interesting to notice that while the quantitative ones are those formally used externally, internally – both in GA and IDB – there is a great emphasis on qualitative indicators reflecting soft skills that usually escape from managerialistic logics. The appreciation for soft skills extends also to the rest of partners, which repeatedly congratulated GA's job based

on their own assessment of the newly employed skills. The main quantitative indicator used, employability, is set by IDB at a minimal requirement of 50%, which is fairly low for GA's standards. This, together with the already mentioned accountability system, demonstrates how a kind of dynamic balance has been struck between the two development actors in pursuing a common objective.

Regarding capacity development, it is curious to take into consideration the internal structure of GA. In this case, informality reigns supreme. Interestingly, it appears as if IDB is not really concerned about formalization of roles and hierarchies within GA, which is instead prioritized by Adrian. The relative indifference from the bank lies in the fact that the internal organization of the NGO is somewhat unrelated to the final objectives of sustainability, replication and service delivery. To achieve these objectives, IDB needs a standardization and systematization of the processes and methods that GA is using, not in particular its internal structure, which is perfect as it is since it optimally fits the dynamic environment that is needed to maintain the innovative mindset present in GA. That might explain why IDB is pushing for hiring internal managers and external consultants, professional figures that do not necessarily improve the internal organization but that will smooth and speed up the process of standardization, as well as pursuing more effectively sustainability and replicability. Hiring these professional is very expensive and apparently not in the agenda of GA, but most of all IDB encountered difficulties in finding suitable characters for GA. It is clear also in this situation how on the one hand IDB is following a managerialistic agenda originally conceived by somebody closer to the American headquarters in terms of sphere of influence, while on the other hand the real actions it is undertaking are far less invasive, which can be summarized by Florian's admission of the superiority of human capabilities over standardization of processes and methods. It is unclear if the ideological retreat is based on technical difficulties or a healthy confrontation of ideas with GA, but a combination of the two is the most probable cause.

The same approach has been undertaken with the issue of leadership. It is clear how GA is suffering from "leaderitis". This concept describes the issue of a predominating leadership within an NGO, which besides providing a strong resource for the organization tends to inhibit leadership succession (Lewis, 2014). GA is clearly too much dependent on Greta. IDB is aware that this issue contrasts sustainability, but at the same time deeply contributes to the innovative spirit of GA, with Greta acting as innovation champion, following the U.S. based heroic model of

leadership. IDB solution is to eventually institutionalize Greta, however their primary objective is to capture and put to paper as much knowledge as possible, while at the same time respecting her role and keeping her in the current position in order to maximize the innovative output of GA, as well as boosting replication thanks to her unique skills. GA seems less worried about the issue of leadership and appears to be more bothered by the structural problem of retaining young talent inside the NGO. Younger employees are scared by the limited possibilities of professional development and Greta is aware that before even starting the transition towards a new leadership, it is necessary to solve this structural problem.

So far, it appears as if the issues of sustainability and replicability are those essential to the bank. The former one is more distant from GA's identity, and for this reason it is more prone to create conflicts. The whole idea of sustainability is somewhat foreign to GA, which is mainly focused on finding partners and delivering its services to marginalized youngsters. The bank repeatedly mentions the wide range of opportunities that lie ahead of GA in terms of sustainability, however at the same time it realizes the mindset inside the NGO is not the right one to pursue such objective. A clear-cut example stem from the idea of IDB to start selling GA's services to companies. Basically, GA could easily work as a Human Resources consultant for companies, training current personnel or procuring specialized employees. In this view, GA would be transformed in a social business, offering a competitive service to customers while continuing to have an impact on marginalized youngsters. The words "social business" and "social entrepreneurs" have been used multiple times by Florian when referring to GA and to Greta in particular. What makes things even clearer, is the juxtaposition that Florian does of IDB to a venture capitalist: the bank is seeking not only to finance but also to give technical assistance to projects in order to scale them up and make them financially sustainable from the standpoint of neoliberal financing. The whole concept of social business is apparently alien to GA, which is focusing on reaching a greater number of endangered youngsters while at the same time improve the services it is offering through the mobilization of a dynamic and open-ended methodology in the making. GA is aware of its competitiveness in terms of value of its services from the point of view of the companies, however, as clearly stated by Greta, the objective of GA is to stay exactly in a semi-peripheral position, not going to work at the periphery or at the center as a consultant for companies. Apparently what GA is trying to improve is its ability to bring 'students' further into the center, up to a point where they can have several choices instead of just the company

linked to GA. A similar situation appears when discussing the possibility of using the image of GA for commercial purposes, idea not contemplated by GA but favored by IDB. There is clearly a contrast between GA and IDB objectives, but apparently the NGO spirit and corresponding modes of professionalism have prevailed over the managerialistic imperatives put forward by the bank.

The situation is different when dealing with regard to replicability. Replicability is a fundamental point for IDB because it is the easiest and fastest way to recreate impact through managerialist mechanisms. Once an effective method is in place, like Método Galpão, it is crucial to transfer it – as a financial product – to other contexts in order to benefit other communities through a logic of accumulation. The emphasis on standardization, formalization and systematization has exactly this is mind, since according to IDB standardized processes are much easier to reproduce in other situations. This approach can be seen as deeply managerialistic, however it is supported and translated by GA. The NGO realized how it is a waste to have a functioning tool if it is only going to be used on a restricted range of communities. It therefore fully supports the replicability efforts pushed by IDB, and apparently IDB was able to influence GA regarding the methods to be used to achieve knowledge transfer. While context is somewhat taken care of, Greta emphasizes how the periphery is the same all around the world, mentioning how there is no limit to apply Método Galpão either in Brazil, in Latina America or in Africa. It will be interesting to see if replicability is going to be a success, or if the push for standardization at the expense of contextualization and adaptation is going to negatively affect the overall impact on distant communities while at the same time contributing to scattering scarce resources within GA. Regarding replicability, bank and NGO are clearly on the same line, although some differences separate the two actors when dealing with expectations and assessing the difficulty, with the bank standing on a more optimistic side.

6 CONCLUSIONS

In the previous section a number of issues observed in the practical management of GA within a BoP initiative have been described and discussed with a critical eye on the managerialistic influences of IDB over the NGO, or even the other way around. What has been found is that problems are of different type and prioritized differently between the two actors.

From the perspective of the bank, the premises are somewhat supporting the view of Northern donors as diffusers of managerialism onto indigenous development actors. Clearly, there is no link between the provider of funds and GA's beneficiaries. Moreover, IDB is just interested in financing GA's courses aimed at improving employability, ignoring the artistic ones that are anyway having an impact, although much less quantifiable. Furthermore, the technical agreement is mainly focused on managerialistic ideas. The risk then stood in the overemphasis of applying the right management tools in order to plan and control development, which may have led to a conceptual framework of "doing things right" instead of "doing the right things".

This however did not happen. There has been no deterioration of meaningful bottom up contributions from GA and no depletion of diversity and creativity, strong drivers of innovation. GA did not become a service contractor for IDB or for any other partner. Looking at the possible detrimental effects of official funding envisioned by Edwards and Hulme, only the strong focus on replicability and service delivery can be considered as being affected by IDB's policies, and even in that case, it is difficult to consider them as detrimental. The only negative impact of such strong focus is relative to the avoidance of any advocacy action, a function that has been anyway rejected by GA in the first place. The remaining harmful consequences hypothesized, decreasing legitimacy and increasing focus on short-termism, did not materialize. Actually, it is possible to affirm that GA's legitimacy has improved thanks to IDB contributions such as the commissioned research over the impact of GA. Regarding short-termism, it is evident how the main objectives pursued by the bank – sustainability and replication – have a long-term outlook (Edwards & Hulme, 1996).

So far, little evidence of conflict favoring the managerialist logic has been found. Before reaching a verdict then, it is necessary to frame the situation differently. A big help comes from the debate over professionalism and managerialism.

It is possible to frame the case as follows: GA is an NGO composed by professionals, not managers. Professionals seek autonomy, they take decisions unilaterally, without consulting management, based on trust and without being accountable for resource efficiency (Andersson, Liff, & Tengblad, 2014). IDB on the other hand is mainly formed by managers trying to spread managerialism, which primary focus is to control professionals. When these two sides encounter, the two traditional outcomes are either decoupling (no influence of managerialism over professionals) or a colonization of the indigenous development agents. What happened in reality however is what Andersson and his colleagues defined as co-optation, or the "*adoption of a strategic element from another logic that retains the most important elements of its own logic*". Something indeed changed in GA, however there was no evil managerialism destroying professionalism.

Co-optation has been achieved thanks to the efforts of actors from both sides. In GA, the professionals were able to confront IDB and eventually use the agreed reforms in their favor. Furthermore, they proposed different managerial alternatives, creating a way for a possible compromise of ideas. It is however important not to forget the benign role of IDB managers, who somehow understood the need to confront ideas and reach compromises instead of using a more imperialistic or colonial approach. Overall, conflict arose between the two development organizations but agreements have been reached, with the additional positive externality of lesson learned in both sides.

The case of GA enlightened us over the ability of indigenous NGOs to deal with Western development actors perpetrating managerialistic practices. Many of the theories discussed throughout this thesis now appear as rather extreme in viewing NGOs as "*victims of a brute imperialistic subjection"* (Girei, 2015). Of course, the number of different situations present in the development field does not let us reach a conclusion over the broader debate about which side will dominate in the future, if one of "*diversity of structures and approaches*" or one of "*standardization and McDonaldization of NGOs*" (Lewis, 2014). What we have learned in this analysis however is that it is possible to de-westernize management knowledge (Girei, 2015) and if NGOs are able to assimilate it while staying as close as possible to the contexts in which they are working, then they will be able to reach their objectives while maintaining their value driven identity.

To conclude, it is important to address the "way of doing research" used throughout the development of the thesis. The objective was to try to escape from the managerialistic hurdles that inform academic research. A different approach has therefore been used, closer to the context studied, which has possibly been impacted by GA and – to some extent – IDB.

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APPENDIX

In the appendix, it is possible to find the full contextualization needed to fully understand the case of Galpão Aplauso. The contextualization includes the theoretical background on three major themes:

- Base of the Pyramid (Appendix I)
- Neoliberalism and development (Appendix II)
- Civil Society and NGOs (Appendix III)

Appendix I - Base of the Pyramid

Definition

A key aspect of the discussion about the new global economy is the concept of Bottom of the Pyramid, also known as Base of the Pyramid. When even the definition of a theoretical concept has been long debated, it is clear how important the topic is.

Conceptually, the BoP represents the largest and poorest group in which a society is divided. According to the definition of poverty then, it is possible to define the concept of BoP but in both cases a universally acceptable empirical definition is elusive (Blackwood & Lynch, 1994), and since poverty is a multi-dimensional construct, focusing on one indicator such as income will deeply limit the scope of the topic.

> The Financial Times[3] defines the BoP as: a socio-economic concept that allows us to group that vast segment - in excess of about four billion - of the world's poorest citizens constituting an invisible and unserved market blocked by challenging barriers that prevent them from realizing their human potential for their own benefit, those of their families, and that of society's at large.

Ted London prefers to focus on the informality surrounding the poor, defining the BoP *"as a term that represents the poor at the base of the global socio-economic ladder, who primarily transact in an informal market economy"* (London, 2008), as opposed to the formal, "Westernized" global economy. Other actors, in particular international institutions like the World Bank, still prefer a more practical indicator like an economic threshold to define the BoP, in which case the standard is personal income at Purchase Power Parity (PPP). However, the threshold has been used inconsistently and updated through times and regions. The notorious 4 billion figure – or 72% of the global population – also cited by the Financial Times, derives from a study of the World Research Institute (WRI), eloquently titled "The Next 4 Billion" (Hammond, Kramer, Katz, Tran, & Walker, 2007), and includes all those earning less than US$ 3,000 per year (PPP). The authors of the WRI report, as questionable common practice among researchers in the field, pointed out how the aggregate value generates a purchasing power of roughly US$ 5 trillion, highlighting the economic potential of this part of society.

[3] BoP definition by FT: http://lexicon.ft.com/Term?term=bottom-of-the-pyramid-(BOP)

Literature Review

BoP 1

First mentioned in a radio speech by then US President Franklin D. Roosevelt to address American people to *"put their faith once more in the forgotten man at the bottom of the economic pyramid"* (Roosevelt, 1932), the term has then regained popularity when analyzed by C.K. Prahalad (Prahalad & Hart, 2002), initiating a heated discussion among academics from the area of management, developmental studies as well as sociology.

On the one hand, there is an idea of achieving a win-win situation in which the fastest growing new markets and entrepreneurial opportunities are to be found among the billions of poor people at the base of the pyramid (Prahalad & Hart, 2002). The authors focus on the role of the Multinational Company (MNC) in order to eradicate poverty and give stability and health to the global economy. The BoP is a very attractive market for MNCs because it offers profitability driven by volume, capital efficiency and innovation. In order to exploit this "fortune" at the BoP, it is necessary to create buying power, shape aspirations, improve access and tailor local solutions, as well as involving actors of the public and civil sector such as local governments, communities and NGOs.

This first generation of BoP literature (henceforth called BoP 1) has been heavily criticized for both practical and ideological shortcomings. From a practical perspective, what has been defined as a fortune is more like a mirage according to Karnani, who first downsized the BoP market and then declared it unlikely to be profitable for a MNC (Karnani, 2007). Weak infrastructures, high distribution and marketing costs and small size of transactions all contribute to erode the already thin margins. Furthermore, the poor spend already more than 80% of their income on very basic needs (Gangopadhyay & Wadhwa, 2004; Inter-American Development Bank, 2015). The biggest criticism however derives from the obtuse perspective of viewing the poor as mere consumers, without taking into consideration any possibility to involve the BoP in the process of value creation, as highlighted also by one of the original authors of BoP 1 (Hart, Simanis, & Duke, 2008).

On a broader perspective, which is linked to the issue of defining the BoP expressed earlier, several authors argue that it is reductive to view the poor as those lacking access to economic resources, without taking into consideration the ties between poverty, social exclusions –

education, information, health, social and cultural deprivation – and inequalities of class, race and gender (Karnani, 2007; Arora & Romijn, 2011). Karnani goes further by arguing that these deprivations conflict with the BoP 1 assumption of considering poor as rational economic actors, implying the harmful effect of such "romantic" view of people at the BoP consisting in economic decision that damage the poor, such as spending money in alcohol, tobacco, ceremonies and festivals (Karnani, 2009). He also investigates some examples provided by Prahalad, demonstrating how in practice the companies involved are targeting people well above the BoP (Casa Bahia) or are damaging either the environment (single serving packages) or the poor themselves (Coca-Cola India) (Karnani, 2007).

Following such criticism, the academic community started to think about BoP from different perspectives, initiating the so-called second generation of BoP literature (BoP 2).

BoP 2

In order to contrast the top-down approach of BoP 1 strategies, scholars brought a new wave of literature scattered by different flavors of bottom-up ideas, in the form of frameworks, protocols, strategies or simple approaches. The researchers who moved less critics to the initial proposition of BoP changed their view from "creating a fortune *at* the BoP" to "creating a fortune *with* the BoP" (Calton, Werhane, Hartman, & Bevan, 2013).

Hart's idea was to replace the old generation "Selling to the Poor" strategy with a brand new "Business Co-Venturing" approach. The new protocol was built around the logic of co-creation. MNCs had to change their business models if they were to operate in BoP markets, the objective being empowering the poor by considering them key partners and resources in the venture and not as mere customer segments. Moreover, new emphasis was placed in partnerships with NGOs, local government and civil society as they held valuable knowledge necessary to smooth the entrance of MNCs in poor communities (Hart, Simanis, & Duke, 2008). London went a bit further by proposing a BoP Impact Assessment Framework which brought a more holistic, learning-oriented approach to assessing performance, in order to overcome the limits of the previous generation metric systems (London, 2009). In addition to the economic dimension, the framework also analyzed the impact on capabilities and relationship of the three main groups of stakeholders involved in BoP ventures: buyers, sellers and communities.

Some scholars proposed instead solutions with a perspective on poverty alleviation rather than profit maximization (McKague, Wheeler, & Karnani, 2015). To achieve the aforementioned objective, an integrated framework was outlined where actors from the private, public and civil sector were given specific roles. The authors argued that local Small and Medium Enterprises (SMEs) were better equipped to integrate the poor in the entire value chain of the company, which in their view was the only way to increase consumption at the BoP. Moreover, a surprising pro-government ideology was undertaken, assigning to the public sector the role of providing public services, infrastructure, facilitation in job production and regulation. Finally, civil society was kept in high regards by designating the third sector as catalyst for positive change and watchdog.

Despite the improvements produced by a considerable amount of academics, BoP 2 strategies were not exempt from critics. Arora and Romijn (2011), after heavily criticizing BoP 1 approaches, continued articulating their doubts with BoP 2. On a broader perspective, they situated the corporate interest in the BoP in the *"historical shift towards neoliberalism unfolding in the last three decades"* and for this reason they expressed a pessimistic view over the willingness of corporations to effectively eradicate poverty. *"Pressures to generate profits out of BoP projects within a short-time horizon will take the driving seat"* and even when the short-term financial bottom line was not the primary concern they argued how corporations failed to deliver results over poverty reduction due to non-performance of Corporate Social Responsibility (CSR) in matters of social development as well as controversies over the engagement with BoP populations (land grabs, workers exploitation). The emphasis of BoP 2 on community involvement is short-lived, and by citing two praised example of BoP interventions (Grameen Bank and Mondragón Cooperative Complex), the authors uncovered three major socio-political issues of the BoP discourse. First, there is heterogeneity within a community and assuming that all poor are equal, risks to worsen the already exacerbating inequalities. Second, unequal power relations permeate the relationship between the so-called beneficiaries and organizations' managers, leading to potential misunderstandings of the real needs. Third, communities cannot be severed from their political-economic context, as they are influenced both in a material and ideological fashion.

Arora's and Romijn's claims are somehow supported by the analysis of e-Choupal (Varman, Skålen, & Belk, 2012), an initiative of a private corporation (ITC) to create a win-win situation

with poor rural farmers in India. Praised by scholars as an example of successful BoP 2 strategy (Karnani, 2007), the team of academics found how in reality e-Choupal makes false claims of social transformation, as it positively affects only those farmers that are already relatively well-off within the community, further increasing inequalities and not undertaking the structural issues affecting the Indian BoP. Looking closely, it is possible to identify how the intra-community heterogeneity was not taken into consideration, – substantial inequalities were oppressing the villages – how the unequal power relation between e-Choupal managers and poor farmers negatively affected the capabilities to express the real issues by the latter, and how the big picture of the Indian neoliberal context and its influence on the BoP community has not been contemplated.

A dominant feature of the e-Choupal study was the concept of governmentality. First introduced by French philosopher Michel Foucault (2004), *"governmentalities (government + mentality + rationality) are discourses that promote certain rationalities (ways of knowing) and further specific mentalities (way of thinking) that inform particular types of governing"* (Dean, 1999). The dominance of neoliberal governmentality and its assumptions – private initiative to curb poverty and reach economic profitability – colludes with the stated objectives of the e-Choupal project, that inherently *"fails to function for the most vulnerable strata of the population. Thus, neoliberal governmentality remains a project that is closely aligned with profit seeking and is removed from poverty alleviation for subaltern participants"* (Varman, Skålen, & Belk, 2012). Furthermore, *"global governmentality results in an unbalanced power structure that allows a minimum level of true freedom for all within a disciplinary framework, in spite of the proclaimed unlimited freedom that it proffers"* (Bonsu & Polsa, 2011), implying that the *"BoP strategy represents a neoliberal incursion into heretofore inaccessible markets"*. The authors clearly agree with Arora and Romijn in accusing the recent neoliberal tendencies to resemble Western colonialism and challenge researchers and policy makers to focus on local inputs rather than imposed resources.

Recent development in the BoP field embrace the view of the previously mentioned authors criticizing strategies stubbornly focused on creation of economic value as wellbeing improvement. As Nobel Prize winner Amartya Sen argues, wellbeing should be measured through a combination of the functioning, or doing of individuals, and their capabilities, or their capacity to realize those functionings (Sen, 1999). Capabilities are vital to the poor as they allow

them to take advantage of economic and social opportunities, and social capital is the ultimate component necessary to channel resources offered by external networks to the poor. Consequently, BoP initiatives should be ranked according to their ability to bring and retain new capabilities, as well as protecting those already part of the community (Ansari & Munir, 2012). The authors further analyze the role of social capital in BoP by distinguishing between intra-group bonding and intergroup bridging. The former is already well developed in BoP communities, enabling them to "get by". The latter however is absent, jeopardizing the ability of the poor to "get ahead". From these reflections it is also possible to conclude how ideologies based on individualism, typical of the neoliberal thought, are at odds with the determinants of social capital. Social capital is a very complex concept that can be subdivided into structural, relational and cognitive parts, each of which necessitates of time, interdependence, interactions and closure in order to be generated. According to this new concept of metrics linked to social capital, past BoP ventures did not perform, both from a bonding and bridging point of view. In the former case, the use of MNCs damaged social capital by crowding out better suited SMEs (Karnani, 2007) and by displacing local norms through formal market structures replacing the informality typical of BoP communities, resulting in a failure to build trust. For the latter case, the results are dismal, demonstrating a lack of effort by BoP ventures. The study by Ansari and Munir leads to the development of a systemic framework. BoP projects should work on the four factors that generate social capital to foster its structural, relational and cognitive subdivisions which in turn will likely increase knowledge transfer to the poor, eventually leading to capability building. Efforts on bonding and bridging should then be undertaken, in order to disseminate and transfer social capital within and between groups.

Brazilian Overview

With a population of 204 million[4], Brazil is the 5th most populous country in the world. The aggregated economy is ranked 9th in the word, worth US$ 1.799 trillion[5] (Gross Domestic Product), leading to a per-capita value of US$ 8,819. Brazil is considered a developing country and is part of the so-called BRIC (Brazil, Russia, India, China) countries. The Brazilian economy strongly grew in recent years, although it is forecasted to sharply shrink in 2015 and 2016. Brazil

[4] IBGE, 2014
[5] IMF, 2015

has historically been one of the most unequal countries in the world. In 2013, the GINI index totaled 52.9[6], a slight increase over the previous year.

The Brazilian society is typically divided in classes. No standard has been established yet, however the most common classification, ideated by the Ministry of Strategic Affairs, is based on the average monthly household income perceived and is structured as follow[7]:

Class A → From R$ 11,262

Class B → From R$ 8,641 up to R$ 11,261

Class C → From R$ 2,005 up to R$ 8,640

Class D → From R$ 1,255 up to R$ 2,004

Class E →From R$ 0 up to R$ 1,254

13,13% of the Brazilian population (26.4 million people) is part of Class A or B. The great majority of Brazilians (55,99% or 112.6 million people) is part of Class C, also defined as middle class. Almost one third of the population lies in Class D or E (30,88% or 62 million people). The historical trend is positive, characterized by gains of Class A, B and C at the expense of Class D and E, which shrank considerably in the past decade.

The size of Brazil's BoP varies greatly according to different interpretation of poverty. According to the FAO and OMS definition, a person is poor if it earns less than R$ 240 per month and if the value is inferior to R$ 120 then it is considered extremely poor. In Brazil, 28.70 million people (15.1%) are part of the first category, while 10.50 million people (5.5%)[8] are part of the second. The United Nations Economic Commission for Latin America and the Caribbean (CEPAL) uses slightly different criteria, calculating 18 million poor and 5.9 million indigents[9]. The Brazilian Government considers those belonging to Class D or E to be at the BoP (62 million people). The Inter-American Development Bank (IDB) uses a criteria of household income below US$ 10 per day, resulting in 131 million people divided in 76 million vulnerable and 55 million poor[10]. According to the Institute of Applied Research (IPEA), the greater incidence of poverty is in rural

[6] CIA, 2013
[7] SAE, 2014
[8] IPEA, 2013
[9] CEPAL, 2014
[10] IDB, 2015

Brazil, which has 15.6% of Brazil's population but accounts for 46.7% of total poor in the country. On a regional basis, North and in particular North-East Brazil has the highest proportion of poor and very poor, greatly surpassing the central and southern regions.

Whilst the use of an income threshold to define poverty, as discussed earlier, is debatable and simplistic, it has the capacity to offer a quick overview about the number of people at the BoP, which in the case of Brazil are substantial. According to the views of BoP 1 authors, Brazil is an Eldorado for western MNCs. The IDB recently wrote a report about BoP in Latin America, eloquently titled "A Rising US$ 750 Billion Market", where Brazil accounted for more than one third, having an aggregated BoP market of US$ 254 billion (Inter-American Development Bank, 2015). IDB President, Luis Alberto Moreno, argues how *"the base of the pyramid is a land of opportunity for families and individuals in the rising middle class of Latin America and the Caribbean, and for the visionary companies that serve them".* Using a strictly top-down approach, the report identifies several areas of opportunity, including critical sectors such as Education and Healthcare where the bank makes a case for private sector intervention, with an emphasis on financial products. The importance of the BoP market in Latin America and Brazil is further consolidated by the focus of several studies with practical implications, such as the aforementioned IDB report, or the analysis of consumer behavior of the poor (Barki & Parente, 2010).

Leaving aside for a moment the findings related to the opportunities offered by the BoP, it is imperative to keep in mind the structural issues that affect the Brazilian society, and consequently the BoP. Poverty in Brazil must be taken into the perspective of profound inequalities and very low social mobility. Analyzing the causes of these phenomena is not the purpose of this work, however it is mandatory to cite some of the roots, in particular the problems relative to housing, crime and education, which will appear frequently throughout the thesis.

To conclude, Brazil represents a fascinating case for the debate about the BoP, and in the main part of the thesis it is possible to see some practical applications that are part of the outcome of the discussion described so far.

Appendix II - Neoliberalism and Development

The discussion about the BoP is deeply interrelated with the concept of development. Development has always been conceived as a positive term to indicate changes or progress, usually associated with the idea of modernity. Historically, development has been associated to material economic terms measurable by statistics such as GDP per capita that had the capability of easily dividing countries on a spectrum ranging from developed to underdeveloped countries. This pure economic approach inspired critics who contested the narrow-mindedness of such concept, arguing how a more people-centered approach with a focus on income distribution rather than growth would be more relevant to define the development of a given geographical region.

An historical perspective will now be studied, in order to better understand the context in which BoP strategies work nowadays.

> The so-called "era of development" started in the immediate aftermath of World War II, more specifically when U.S. President Harry Truman delivered his inaugural speech (Joint Congressional Committee on Inaugural Ceremonies, 1989): we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. The old imperialism – exploitation for foreign profit – has no place in our plans. What we envisage is a program of development based on the concept of democratic fair dealing.

An international system was put in place by Western countries, creating the United Nations and Bretton Woods institutions (World Bank and IMF), as well as the launch of the Marshall Plan. The objective of this system has always been related to fight poverty in developing and under-developed regions, especially at a time when the decolonization process left these countries vulnerable due to the loss of support from the Western European powers. In the academic environment, two conflicting theories grew in importance. The modernization theory championed the role of economic growth as solution to poverty, arguing how the economic benefit would eventually "trickle down" to the bottom of the pyramid, which is closely related to neoliberal views (Lewis, 2014). World Bank and IMF adopted and implemented these ideas through Structural Adjustment Programs (SAP), which consist in loans to cash-starving developing countries (Lensink, 1996). The dependency theory, on the other hand, dispute the modernist

concept of underdevelopment, claiming how it was the result of a process started by colonization that brought an unequal exploitation of resources, followed by unequal trade policies once decolonization took place. The dependency theory advocated for revolutionary approaches aiming at structural reforms with the objective of eliminating inequalities (Lewis, 2014).

By the 1990s, academics agreed that an impasse had been reached where the two conflicting theories were deeply discussed but not put into practice (Schuurman, 1993). The development dialogue shifted its focus on the concept of human development. Coined by the United Nations Development Program (UNDP), the idea was derived from the approach on capabilities already discussed in the previous section, originally elaborated by Amartya Sen (Sen, 1984). The UN was also responsible for the creation of the Millennium Development Goals, a series of objectives related to poverty to be achieved by 2015, which were effectively the first holistic strategy to meet development goals. Together with these new paradigms of international organizations, the impasse led to a push by community-based development workers for more bottom-up approaches. The purpose was to foster participation, empowerment, local actions, indigenous knowledge and sustainability (Lewis, 2014). An important role, as it will be possible to see afterwards, has been played by NGOs and other civil society's organizations, which experienced the lack of practical application of formers theories and consequently called for an approach with all the characteristics described above. These argumentations were supported by influential academics who emphasized the importance of listening and learning by external actors instead of imposing knowledge developed in contexts which were poles apart (Chambers, 1983), as well as scholars from discipline such as anthropology and sociology who were used to more practical implication of development.

Following the terrorist attacks of September 11th, 2001 and the consequent War on Terror set off by the United States, the focus has partially shifted towards the concept of human security. A linkage between poverty and terrorism was created and academics were incentivized to pursue research in order to eradicate poverty, for the sake of global security. It is in this context that BoP 1 strategies started to emerge, backed by the U.S. and their push of neoliberalism in order to bring world peace, as well as to re-establish their hegemony (Hemais, 2012).

The history of development is intertwined with the expansion of neoliberalism. The ideology started gaining popularity at the end of 1970s. The 1973 oil crisis and the consequent increase in

interest rates by the Federal Reserve which brought to the debt crisis of the 1980s, together with the 1970s questioning of Keynesian policies in the North, as well as the later collapse of the Soviet Union in the 1990s, shaped the context for the emergence of neoliberalism (Herrera, 2006). Led by two strong figures – Thatcher and Reagan – and supported by a majority of academics from the world North, neoliberalism championed an anti-state strategy aiming at prioritization of the private sector, drastic cut in public spending and wage austerity to curb spiking inflation. From a global perspective, neoliberals campaigned for free trade at the expense of protectionism, and for the liberalization of capital transfers. International agencies already mentioned earlier in the topic of development (IMF and World Bank plus the World Trade Organization) were the main drivers of neoliberal strategies, backed by United States military hegemony (Herrera, 2006).

Neoliberalism has come under great criticism from several perspectives, especially regarding its role on development. Some academics argues how the global South suffered the burdening of debt repayment favoring the capital accumulation of the global North. Criticism also emphasize the spike in inequality caused by the free market ideologies (Herrera, 2006). For some, the failure of neoliberalism was highlighted by the 2008 financial crisis, following the dogma of deregulation, while experiments such as Chile, although painted as success stories, carried many criticisms in particular regarding the peril of political freedom in order to achieve economic freedom (Winn, 2004). To conclude, it is mandatory to refer to the previous part concerning BoP in order to fully understand the criticism moved by many scholars (Arora & Romijn, 2011; Bonsu & Polsa, 2011; Varman, Skålen, & Belk, 2012) towards the failures of neoliberal ideologies when applied to the BoP.

North-South Conflict and Brazilian Overview

Brazil always played a significant role in the discussion concerning development and consequently on the significance of neoliberalism. Being a so-called developing country, Brazil is part of the global South, which differs from the global North represented by developed countries from Europe and North America. Throughout the previous sections it has been possible to highlight some tensions that arose between thoughts related to North and South. The frictions have deep rooted origins from the colonial era. Even after decolonization, economic, political and military power remained in the hands of the global North. From an academic perspective, most of the research and publications originate from Universities located in Europe or North America,

especially in the area of economics, development and management (Faria & Cooke, 2013). Many academics refer to this issue as an exemplification of coloniality. Coloniality consists in a long period, even after colonialism, in which a Eurocentric rationality of modernity is imposed, often with a racist perspective that consequently covers local knowledge and realities (Mignolo, 2011). The Argentinian semiotician then goes forward promoting decoloniality in order to free Southern knowledge, with the ultimate goal of attaining a multipolar world where North and South both contribute in the development of knowledge (Mignolo & Tlostanova, 2006). This framework is necessary in order to give an accurate overview of development in Brazil, since it experimented various policies throughout its history, coming from both Northern and Southern thought.

Traditionally, Brazil has played the role of primary products supplier following the economic law of comparative advantages popularized by Ricardo and consequently it was dependent on the performance of the industrialized centers of the world. In order to reduce this vulnerability, as well as a long-term solution to the Great Depression of the 1930s, policymakers started pushing for industrialization (Baer, 2008; Reid-Henry, 2012). In 1948 CEPAL was created following U.S. President Truman remarks about development. Being headquartered in Chile, CEPAL was one institution capable of generating knowledge *"do externo gerado a partir do interno"*, or in other words Southern knowledge from an institution of the North, being CEPAL a United Nation organization. One of the major contribution was the delineation of a dependency theory with a Latin American flavor, termed structuralism. Without rejecting capitalism, as the traditional dependency theory argued, structuralism proposed to use Import Substitution Industrialization (ISI) under the leadership of the State in order to develop the region, escaping also from the typical neoliberal logic (Wanderley, 2014). Under CEPAL guidance, the governments of Vargas and Kubitschek implemented ISI policies, created the National Development Bank (BNDES) and several state enterprises that would play a significant role in Brazil's economic history. Whilst Brazil experienced strong economic growth, the economic policy led to issues of trade imbalance, debt increase and non-decreasing inequalities (Wanderley, 2014; Baer, 2008).

In 1964, a 20 years long right-wing dictatorship started its course. Supported by the United States as a way to stop the expansion of communism, the dictatorship exiled many academics with the objective of reducing the influence of those organizations portraying "critical thoughts", among which it is important to highlight Celso Furtado, an influential economist and one of the creators of structuralism. The military dictatorship carried on with a dependency theory now based on an

economic stool composed by private capital, state capital and international capital in the form of MNCs (Cardoso & Faletto, 1979). The policies focused on ISI and infrastructure improvement and witnessed support by the U.S., World Bank and IMF, which was followed by aid and donations from powerful American foundations with the objective of financing orthodox academics to teach and deliver research in Latin American institution (Wanderley, 2014; de Barros & Carrieri, 2012). The positive macroeconomic situation, together with heavy greenfield investments, led to the so-called economic miracle, a period of strong economic growth that lasted until 1973. The strong economic growth however did not translate into development. Inequality steeply increased during the period – the Gini index rose from 50 to 62[11] – as the government followed a policy of *"increasing the size of the cake, before dividing it"*, as explained by the finance minister of the time (Giglio & Nogueira, 2012). Furthermore, regional disparities sharply amplified due to the Center-South focus of industrialization, at the expense of Northern Brazil, deepening a problem that is still oppressing the Brazilian society.

The instauration of other right-wing dictatorship in Latin America, and the subsequent implementation of neoliberal reforms, especially in Chile, exposed the logic of coloniality pursued by the United States during the Cold War period, with the intention of limiting the expansion of communism (Wanderley, 2014). With this argumentation, it is possible to observe some similarities with the more recent push of neoliberal reforms in developing Islamic countries, to curb the surge of terrorism (Hemais, 2012).

While maintaining the economic policies established, the dictatorship took advantage of the petrodollars being offered by U.S. banks to finance the increasing expenses of the State, imitating many others Latin American countries (Bulmer-Thomas, 1994). The debt burden however became unsustainable when the interest rates started to rise after the 1979 Federal Reserve decision and as a result Brazil needed to be rescued by the IMF, which in turn enforced an austerity program based on devaluation, reduction of fiscal deficit and decrease in real wages, as well as a decrease of government influence on trade and capital flows (Pastor, 1989). Whilst Brazil avoided default, the country oversaw a lost decade, due to stagflation. During the second part of the 1980s, the government introduced several heterodox economic shocks in order to bring inflation under control (Cruzado Plan, Brasser Plan, Summer Plan). Although the shocks

[11] IPEA (1973)

eventually failed to curb inflation, they signaled how policymakers felt that IMF policies were exhausted and unsustainable (Pastor, 1989). The reduction of real wage contributed to the further worsening of inequality (Walton, 2004), even though the incidence of poverty was reduced[12]

Entering the last decade of the 20th century with huge structural problem, Brazil commenced the neoliberal cure offered by the Washington consensus. Under President Collor, import tariffs were drastically reduced, a process of privatization was initiated, investment was liberalized, and a fiscal reform was introduced before launching the so-called Real Plan that was finally able to bring price stability (Amann & Werner, 2002). The neoliberal push reflected the exhaustion of previously discussed theories, that brought to the early 1990s development impasse. Although neoliberalism reforms had positive effects on the Brazilian economy, they also exposed several shortfalls. Along with lackluster growth performance of the economy, the neoliberal logic failed to resolve the issue of unequal distribution of income. Furthermore, although from a mere economic point of view poverty reduction was achieved, the simultaneous introduction of the Real Plan and its real wage boost appears unlikely to have solved more structural problems that might be part of a broader definition of poverty (Amann & Werner, 2002), which may explain the persistently high Gini Index and its underperforming evolution compared to other developing countries. The Brazilian application of neoliberalism and its effects on social development are conflicting with the expectations of the Washington Consensus, with the consequence of creating an ongoing debate over development policies.

By the end on the 1990s, Brazil received another consistent loan from the IMF in order to avoid devaluation of the real, which nevertheless occurred. The 21st century oversaw the rise of the Workers Party. Under President Lula and then Dilma, economic policies started to partially drift away from neoliberalism, in order to center on income redistribution, direct income transfer, extension of consumer credit and public investment (Teixeira & Pinto, 2012). In conjunction with a favorable macroeconomic situation, especially regarding commodity prices, the economy grew at a considerable pace. The positive economic development has been followed by social development, amid sensible reductions in poverty and inequality[13], although some authors argue how these improvements were the result of a “demographic bonus” derived from the population

[12] IBGE (1997)
[13] IPEA (2013)

boom of two decades earlier that heavily contributed to the reduction of the dependency ratio (workers providing for dependent people) (Pineo, 2013).

This section provided an overview of the economic and social development in Brazil until the current situation, which has been described in an earlier chapter. The importance of this piece relies in the understanding of the context in which Brazil's BoP has been created and addressed by different ideologies. Clearly, none of them was able to fully exacerbate poverty, and this is the reason why there is an ongoing debate regarding BoP strategies in Brazil. In the next section Civil Society and NGOs will be addressed, as they represent fundamental actors in all BoP strategies, especially in Brazil.

Appendix III - Civil Society and NGOs

Civil Society

Civil society is a social sphere separate from both the state and the market, and for this reason is also referred to as the "third sector", indeed after the public and private sectors.

> The World Bank[14] defines civil society as: the wide array of non-governmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations.

Civil society can be also identified with several other names, such as voluntary sector, third sector, plural sector and so on. Civil Society Organizations (CSOs) is a general term to refer to any type of organization belonging to civil society. The types of organizations span widely in terms of variety: foundations, religious organizations, NGOs, clubs, cooperatives, unions, think tanks, community groups and many others. Henry Mintzberg tried to group them according to who they are serving: mutual associations serve their own members (clubs), benefit associations serve other people (charities), protection associations advocate for their own members (unions), and activist associations advocate for the needs of others (human rights NGOs) (Mintzberg, 2015). It will be possible to see how the distinction between advocates and service providers will be maintained throughout the work, especially when referring specifically to NGOs.

From an historical perspective civil society has old roots, however in recent times it came back at the center of the stage as a fundamental actor in the new policy agenda of the early 90s. Arguably, it was a civil society organization – the Church in Poland – that initiated the fall of communism (Mintzberg, 2015). The neoliberal movement initiated by the Washington Consensus, while emphasizing free markets and privatization, also designed the role for civil society in order to fill up the holes left by the state. The SAPs, developed by the World Bank and the International Monetary Fund (IMF), envisioned civil society organizations as an alternative to the state as provider of welfare systems, as well as actors able to reinforce the democratic process (Lewis, 1998). These new roles for civil society contributed to the spread of criticism towards

[14] Civil Society definition by World Bank:
http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20101499~menuPK:244752~pagePK:220503~piPK:220476~theSitePK:228717,00.html

organizations part of it. In particular, critics contended, civil society is biased toward the global North since such organizations are mainly funded by Europeans and North-American countries, consequently being accountable to them (Zaleski, 2012). This view further contributed to the comparison of neoliberal policies as attempts of neocolonization in developing countries, especially in Latin America.

It is possible to differentiate two approaches to civil society. From the liberal point of view, following the idea of French political thinker Alexis de Tocqueville, associational life is a source of democratic strength and economic power (de Tocqueville, 1835). The positive notion of civil society as a tool to build better citizens in order to balance state and market has been particularly influential on development policies. Civil society is seen as necessary in order to maintain a virtuous cycle between the three sectors and has been embraced to achieve the so-called "good governance" of the earlier 1990s in developing countries, with the objective of giving to a "democratic" civil society the role of maintaining markets and governments accountable (Archer, 1994). Another author supporting the positive view of civil society is the already mentioned Henry Mintzberg, who strongly champions the role of what he calls "plural sector" as that of balancing society, envisioned as a three-legged stool where each leg is fundamental in avoiding it to fall down. In order to solve society's issue, the plural sector is needed to fill a void left by an incompetent public sector and a private sector that cannot be expected to go against its ideals. He assumes that *"plural sector associations are independent and flexible and those making part of them are engaged to solve compelling problems".* Concluding, he admits how not all associations are able to exploit their potential, and warns how the Holy Grail is not the plural sector, but the balance that can be struck also thanks to its contributions (Mintzberg, 2015).

Civil society however can also be observed from a radical standpoint, following the view of Italian activist Antonio Gramsci where civil society stands as resistance to hegemonic power in capitalist societies (Gramsci, 1975). Civil society does not necessarily bring a positive contribution to development as it contains several competing ideas that might conflict with the state, according to Gramsci. The state itself might be willing to control civil society (the Church, the media) to maintain its authority. The radical view also emphasizes how the assumption that civil society is always good might be naïve (Lewis, 2014). Alongside liberal and radical view, it is possible to delineate a relativist critique arguing how the Northern concept of civil society might collide with different local contexts. This issue is of particular relevance considering the

trend towards globalization in which also civil society is involved – see Greenpeace or Amnesty International – despite strong and sometimes violent oppositions by some associations belonging to the sector – see no-global movements protesting against the World Trade Organization (Lewis, 2014). This argumentation, together with the previous lines of thought, will be deeply discussed in the following sections when referring more specifically to the role of NGOs.

NGOs

NGOs are not the equivalent of civil society, but are nonetheless a major part of the civil sector. Defining NGOs is a daunting task and a unanimous decision about the issue is far to be reached, for reasons that range from the different concepts of NGOs in different parts of the world to the very broad variety of activities that these organizations might perform. Moreover, the taxonomy of NGOs can be considered a muddle and Lewis in his book listed 48 different acronyms used by practitioners and researchers (Lewis, 2014). Although it may seem of little significance outside the academic world, giving a precise definition and taxonomy is instead of extreme importance. Practical issues such as the relationship between donors and recipients, government regulation and the potential of knowledge transferring and learning are negatively influenced by a lack of formal recognition (Vakil, 1997). Whilst a definition is still lacking, it is commonly agreed that NGOs should follow some characteristics:

- Formal: institutional organizations that follow regular meetings and have some permanent structure and meeting space
- Private: separate from the government, although not necessarily completely independent from it, in particular regarding funding
- Non-profit distributing
- Self-governing
- Voluntary: there is some degree of voluntary participation in the management of the organization

NGOs differentiation can be conceived based on the broader goal they are pursuing, which can be development, human rights, or environmental protection. Only NGOs chasing the former end are discussed in the thesis.

NGOs and Development

From an historical perspective, the first NGOs were born centuries ago but have been formalized only in the post-war period by the United Nations. Due to the Cold War tensions, NGOs played a negligible role in the post-war period also helped by the lack of roles envisioned by traditional theories of development. Modern theory rarely mentioned NGOs, while the dependent theory was more focused on social movements as a positive force for liberation and revolutionary change (Lewis & Kanji, 2009). NGOs finally started growing in importance from the early 1990s. Following the path of civil society, they were considered to be a relevant part of the development process envisioned by the "good governance" agenda, and NGOs themselves realized how they could accomplish more by getting involved in advocacy, policy-influencing and alliance building actions, with the aim of strengthening the civil society of which the were part (Lewis, 2014).

Lewis contends four main reasons that might explain the dramatic entry of NGOs in the development debate (Lewis, 2014). The most evident is related to the conceptual impasse reached after the exhaustion of modern and dependent theories that led to alternative ideas and a research for a substitute of governments as development actors, role for which NGOs seemed perfect. A second reason, strongly related to the former, lies in the perception of governments' failures in pursuing development, which has also been fuelled by the neoliberal ideology emerging during the same time period. Moving forward, the third motive has to be found from the point of view of NGOs and their willingness to make policymakers hear their voice on emerging and central debates such as those related to environment, gender and social development. Lastly, the fourth reason is a composition of international factors (globalization, end of Cold War, prominence of media, spread of democracy) that hugely contributed to the rise in prominence of NGOs. Whilst the factors hereby described try to offer an explanation for the sudden relevance of NGOs in the development debate, it is important to keep in mind that the role envisioned for NGOs by the neoliberal ideology that was dominant at the time was one of *"flexible agents of democratization and private, cost-effective service delivery"* (Lewis & Kanji, 2009). NGOs were attracting the attention of Western donors because they could engage more effectively, especially in BoP societies, they were independent from geopolitical interests and they were able to offer more opportunities to the citizens of the North to engage with "poor" from the South (Lewis, 2014). Additionally, it is worth reminding how initial BoP strategies were strongly driven by neoliberal ideals and consequently it is logical that strategic theories exposed the positive effects of

partnering with NGOs. This discourse is even more coherent when viewing NGOs as sources of local knowledge, highlighting therefore the economic benefit that such organizations can bring to Western MNCs (Hart, Simanis, & Duke, 2008). Interestingly, NGOs kept being part of most BoP strategies, even those criticizing former authors. The idea of social capital in BoP (Ansari & Munir, 2012) for example, is positively linked with NGOs activities, which are often aimed at increasing bridging social capital or avoid social exclusion. To summarize, it is fundamental to understand how the sudden importance of NGOs in development in partially driven by their merit but is also strongly influenced by a purely ideological interest in these types of organizations. It is important to stress the latter point because it might be the starting stage for many criticisms which take the old proverb *"he who pays the piper plays the tune"* as a base, as it is possible to see in the main body of the thesis (Lewis, 2014).

So far it has been possible to give a definition and to analyze the link between NGOs and theoretical or ideological concepts, yet no explanation has been provided regarding the practical roles that NGOs can play in the development context. Lewis, in his comprehensive book, delineates three broad and overlapping roles that NGOs can carry out: implementers, catalysts and partners (Lewis, 2014). When an NGO is an implementer, it means it is actually providing a service either through its own programs or through contracting by the state or donors. Private corporations might also hire NGOs as an alternative to internal CSR programs, or to limit or make up for the damages of certain projects. Traditionally, the main fields in which implementers work are healthcare, education, credit, agricultural extension, legal advice or emergency relief. The implementer role is one of the most admired by the neoliberal ideology of the new policy agenda, as it is the most effective in shifting service distribution from public to private hands. International organizations (World Bank and IMF) envisaged NGOs as service providers inside their SAPs to provide a social safety net and at the same time championing the role of civil society as herald of democracy that would ultimately improve the accountability of the state. On a less practical and more ideological view lies the role of catalyst. Normally NGOs are designed to be catalysts, driven by strong beliefs aiming at eliminating the roots of all social ills. The catalyst function can be subdivided in empowerment, advocacy and innovation. Empowerment is a term that is often used, and sometimes abused, in the field of development and refers to *"the process of enhancing the capacity of individuals or groups to make choices and to transform*

those choices into desired actions and outcomes"[15]. Evident is the link with the concept of capability development as BoP strategy (Sen, 1999). Advocacy is the utmost political aspect of NGOs activities and refers to any attempt to influence, on behalf of a common interest, a dominant institution which usually takes the form of governments or private sector organizations. Being a mostly ideological activity which can take several different methods of application, it is easily questionable, however it is critical to point out how advocating is a complementary activity to service delivery or partnering, and is often applied in order to scale the overall organizational strategy. Advocacy is the activity that has the biggest potential of achieving NGOs objectives since it targets the roots of social evils, rather than the symptoms, however it is also one of the most difficult to deliver and assessing its impact. To conclude the catalyst function types, NGOs may be seen as innovators, or creators of novel and feasible solutions to development issues. Being part of the civil sector, NGOs enjoy a degree of flexibility considerably higher than their private and public sector counterparts, which positively affects innovations capabilities. Finally, NGOs may act as partners. Partnerships are formal relationships between actors involved in development activities, with the objective of improving efficacy and effectiveness of planned projects by exploiting each organization's comparative advantage. Typically, NGOs partner up with government agencies or private organizations. Several variables may affect the relationship, or linkages, between partners, with direct consequences on the effectiveness of such agreements. Nonetheless, partnerships are highly regarded among "new policy agenda" supporters, as it intertwines the three fundamental sectors of society, reinforcing the power of private sector relative to public sector.

Having in mind the activities carried out by NGOs in the context of development, it is time to explore the critiques advanced by several scholars and researchers pertaining to a variety of positions in a wide ideological spectrum.

Criticism

NGOs are often praised for their noble activities aiming at solving major issues affecting societies. It is necessary however to delineate the wide range of critics that have been moved towards these organizations, from a variety of sources and ideologies. Understanding criticisms is

[15] Empowerment definition by World Bank:
http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTEMPOWERMENT/0,,contentMDK:20272299~pagePK:210058~piPK:210062~theSitePK:486411~isCURL:Y,00.html

fundamental before analyzing how NGOs should work in order to create significant impact with their activities.

From an ideological point of view, critics originates from both the left and right side of the political spectrum. For the former, NGOs are one of the blocks composing the neoliberal agenda for privatization and in the case of development NGOs this translates in a contribution towards neocolonial incursion. The development theories formerly described (modernization, dependency and neoliberal theories of development) have generally attributed a positive role to NGOs, however there exists some leftist development theories with a critical view on these organizations. It is of particular importance the so-called post-development theory enunciated by Arturo Escobar, who contends how NGOs are *"agents of modernization destroying local cultures and economies",* concluding that only local social movements can effectively oppose this Northern imposition of development (Escobar, 1995). Right wing critics on the other hand argue how NGOs are the enemies of free markets, constantly challenging the roles of public and private sector. The argumentation goes forward, claiming how NGOs ought to be reformed with a private business approach. Left and right critics are at the poles, however they agree on the issue of control, which they claim is too loose compared to government and private sector organizations. The view is shared by critiques from organizational point of views, which blame NGOs for their inefficiency, top-down decision making, low levels of financial transparency and coordination, inflated performance evaluations and above all an insufficient level of accountability, which is related to the issue of lack of control (Lewis, 2014). Accountability is addressed in more depth in Chapter 2 of the main body, in the meantime it is important to underline how critics complain about a lack of accountability compared to other sectors. Governments are accountable to voters and are the result of a popular and clear mandate. Private companies are accountable to shareholders and have a precise objective to reach. NGOs on the other hand do not have a formal structure of accountability and they find themselves trapped between a moral obligation towards the beneficiaries (people at the BoP) and a practical obligation towards donors (The Economist, 2000). This delicate position is the reason of such an amount of polemics stirred up by many academics and researchers on the topic of NGOs accountability.

From an historical perspective, NGOs criticism followed by a few years the selection of NGOs as fundamental actors for development. Right at the beginning of the current century The Economist published a very influential article, somehow starting the wave of criticism that until that moment

was overshadowed by an overly optimistic view of NGOs as “magic bullets” of development. Perhaps surprisingly considering the liberal views of the magazine, the article agreed with Escobar’s view that NGOs tend to propagate western values with the consequence of harming local cultures. The process of such neocolonization is also criticized because it is an imposition led by extremely needed financial resources, rather than a debate with the local populations (The Economist, 2000).

The concept of influence is not only related to the values that NGOs spread around the world, but also to the question: are NGOs influencing or being influenced? The short answer is both, however it is necessary to understand the consequences of such influences. It has been found that North-based NGOs are indeed influencing the foreign policies and aid of their respective countries, even reaching the media (Youngwan, 2011). Whilst such impact has positive implications, especially in terms of awareness, it also points out how the power that such organizations have does not necessarily go hand in hand with an equivalent level of accountability. Moreover, similar but South-based NGOs have not been studied, however it is safe to assume how their influence on foreign governments is much more limited than their North-based equivalents. Together, these two concerns imply a potentially unbalanced form of power on foreign policies and aid, which might lead to an equally distorted level of relief.

The other side of the coin is about NGOs being influenced, especially from governments and private sectors organizations with which ties got stronger and stronger. Following the neoliberal view of privatization, governments have been happy to hand over money and responsibilities to NGOs while private sector organizations sought synergies with civil sector equivalents viewing them as bearers of information and knowledge about local culture and local behaviors, as well as owners of equipped offices and personnel (Simanis, 2014). Some critics argue how the division between the three sectors has blurred, with NGOs acting as private organizations with very competitive strategies in order to capture an increasing slice of the aid pie, through heavy lobbying and media campaigns that consume an increasing amount of resources otherwise employed towards the theoretical beneficiaries at the BoP (The Economist, 2000). Some NGOs will of course have a net increment in resources allocated due to successful funding strategies, however the aggregate result consist in a substantial amount of wealth wasted in activities that do not contribute to the goals of either NGOs or governments. Some critics however have raised doubts about another structural issue related to inter-sectorial influences, which can be

summarized by the old saying "*he who pays the piper plays the tune"*. The main concern lies in the idea of NGOs as implementers of others' agendas, which is especially worrying considering the growth of contracting (Lewis, 2014). The loss of autonomy of NGOs is a potential threat for those at the BoP, who are now risking to receive a treatment ideated and monitored in distant governmental buildings probably located in Europe or North America (Wallace, 2004). These externally driven activities risk to inhibit their effective management due to the struggle in creating local ownership (Lewis, 2014). Furthermore, even if there are symbolic forms of reciprocity that tie together the Northern donors and Southern receivers, the complexities of this relationship make them problematic because there is no such thing as a free gift (Stirrat & Henkel, 1997). Moreover, it is fairly common to see NGOs following the same path of official aid rather than complement it, with the consequence of targeting countries which already received a substantial flow of aid or NGOs' help, or areas characterized by cultural or historical affinity with the organizations' home countries (Koch, Dreher, Nunnenkamp, & Thiele, 2008). Finally, it is important to signal how donors' influence might increase the risk of leaning towards short-term objectives rather than long-term impacts, choice motivated by the donors' desire to boast immediate and impressive achievements instead of pursuing learning and reflecting activities which might be more helpful in solving the structural issue (Lewis, 2014).

An additional critique lies in the differences between North-based and South-based NGOs. Generally speaking, the great majority of development NGOs deliver their services in Southern countries, where the greatest share of BoP resides, fitting the objective of this work. The issue rests on the fact that there is a disproportion of external (North-based) NGOs compared to local (South-based) NGOs. Foreign NGOs may tend to import Northern logics into countries where societies are based on different rationalities. This sort of neocolonialism, which may be voluntary or involuntary, is either praised or criticized according to different ideologies, as it has been possible to discover earlier within the context of BoP, where NGOs have been often identified as Trojan horses for global neoliberalism, playing the role of ideological and organizational foot soldiers of imperialism (Shivji, 2007). This process is also emphasized by the relative inexperience and ineffectiveness of local NGOs compared to some global behemoths. There has been a push for North-South integration based on Southern terms, in particular regarding building partnerships between NGOs from distant geographical areas. The benefits, concerning in particular awareness and policy influence, are clear. Unfortunately, a huge gap is still present, led

by an unequal distribution of financial resources that can be arguably seen as a new economic colonialism, fostering Southern dependency on the North. But a North-South gulf between NGOs still exists, particularly as the global financial forces recreate a new economic colonialism and a structural dependency of the South on the North: *"globalization, the new trade rules and free-trade ideology may produce a gulf between Northern and Southern CSOs (Civil Sector Organizations) that becomes greater than the ties that bind"* (Krut, 1997).

While discussing the issues of North-South relationship, it is possible to move a further critic regarding relationship within NGOs and between sectors. It has been argued how there is a lack of overall coordination towards the goal of development, and NGOs are rarely obliged to consider a broader perspective. The implications are important and range from the narrowness of many NGOs goals to the disregard for trade-offs in broader policies (The Economist, 2000).

A final topic with strong criticism is that of NGOs effectiveness. Originally, NGOs were glorified based on their effectiveness in the social, economic, political and cultural area. Critics however came up with different reasons that contradict such optimism. First, they claim how there are *"too many vested interests to allow for honest analysis"*. Then, they argue that NGOs are unable to solve structural problems, because only governments have the resources and the legitimacy to undertake the efforts needed in order to tackle such big issues. The argumentation goes forward towards the matter of accountability that has been already discussed previously and concludes underlying the fact that often NGOs are inefficient and not cost-effective compared to organizations from other sectors (Lewis, 2014).

To conclude it is evident how many critiques have been moved towards NGOs. The issues described are all interrelated and reside on some major concerns: accountability, influence, North-South relations, lack of coordination and effectiveness. However, to finalized on a more positive note, it is clear how the debate has intensified in the last decades because the role of NGOs has dramatically escalated in the field of development. For good or for bad, researchers, academics and normal people are now discussing what NGOs can do to positively influence our society. *"Long gone are the days when NGOs could simply rely on moral high ground to justify their work and provide legitimacy*", and welcome are the days of a heated, but hopefully healthy debate over their role in international development (Lewis, 2014).

The Situation in Brazil

Civil society and NGOs in Brazil followed an apparently similar trajectory to that set globally. From an historical perspective, it is vital to highlight the role carried out by the Catholic Church before the establishment of the Republic, at the end of the 19th century, especially in delivering essential services that would later be offered by a stronger State. From the same period, a wave of European immigrants brought to Brazil the concept of voluntary organization, focused especially on political and professional interests. Catholicism and politicization are two recurring themes of civil society in Brazil that still today have a strong role (Landim, 1993).

During the military dictatorship established in 1964, the influence of these associations sensibly decreased. On the other hand however, both in Brazil and Latin America, it was possible to register a limited number of NGOs whose objectives were related to human rights, fight against the political regime and respect for basic conditions (Pereira, 2006). Thanks to the 1979 political amnesty many exiled were able to return, bringing important relations with external non-governmental agencies while at the same time contributing to the consolidation of these organization towards the modern meaning of NGO, especially regarding top-down financing relations and grassroots work (Landim, 2008).

It is during the last decade of the 20th century however that the civil sector oversaw a dramatic shift, following the international development policy changes. The number of NGOs operating in Brazil started increasing considerably, particularly those with a local territorial base or advocating for specific and diffuse rights. Along NGOs, another imported term started being use, which is Third Sector. It is interesting to notice how these terms originated in North America, in a context of individualism and society before the State, and carried many assumptions that might conflict with the "statist" political culture of Brazilian society (Landim, 2008). New, innovative types of NGOs started to emerge, with a focus on generating and competing for financial resources typically coming from foreign donors and a specialization of managers emphasizing efficiency and productivity as ways of organizational survival. These new entities inspired by the North-American neoliberalism model were working along the state and not against it (Pereira, 2006).

The role of the State is quite interesting in Brazil. In particular, during the re-democratization process of the 1990s Brazilian NGOs concentrated their efforts towards public policy-related

activities, improving their relationship with the complex public sphere (Landim, 1993). The deeper integration of civil society and NGOs in the public space contributed to limiting the issue of non-cohesion and fragmentation of social movements, a traditional critique moved against these organizations (Landim, 2008). Another interesting role to analyze is that played by foreign donors and international agencies. Although critiques arguing how Brazilian NGOs might simply be agents of international actors may be a bit exaggerated, it is impossible to overlook the influence that international financing might have on these organizations, considering the significant flow of money poured in the country (Landim, 2008).

As a response to the issue just outlined, it is noteworthy the push of Brazil, along with other developing countries such as India and China, for a realignment of global power in the field of aid and development. An emerging South-South cooperation is being fostered in order to decrease the dependence on Northern aid, often linked to conditionality with an imperialistic flavor, and with the objective of championing the use of emerging country donors (Lewis, 2014).

Overall, Brazil has a vibrant civil sector, well equilibrated with the private and public sphere. Although several of the issues affecting Brazilian society, in particular the “Brazilian way” of doing things (Jeitinho Brasileiro), are a potential threat to the legitimacy of NGOs and other civil sector organizations, they can also be viewed with the positive connotation of innovative solutions to structural problems (Mintzberg, 2015). To conclude, Brazil is a remarkable country for development studies at the BoP in relation with NGOs, and some academics see a bright future for the general civil sector in the South-American country: *"I think that Brazil is likely to lead the way to a better world. Partly because it is large and brave. Because it is a country that has a society with a strong sense of community and collectivity. So, why not Brazil?”* (Mintzberg, 2015).