

# Current developments in the non-profit sector

 By [Nazeema Mohamed](#)

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Inyathelo is committed to strategies that address poverty and inequality and the establishment of a strong democracy and stable civil society in South Africa and the African continent.



Nazeema Mohamed, executive director at Inyathelo.

The organisation, founded 20 years ago, works with non-profit organisations (NPOs), education institutions, philanthropists, corporates, governments and international agencies. It plays a key role in capacity building and assisting other nonprofits to become sustainable, as well as advocating for social justice and ethical governance.

Current developments in the non-profit sector generally, and in the education arena specifically, include:

## Trends in the NPO sector

### 1. Fewer resources, growing demand

Significant loss of funding and ongoing disruption of operations due to Covid-19 have restricted African NPOs' ability to meet demands for their services. Epic-Africa and AfricanNGOs surveyed over 1,000 African civil society organisations (CSOs) between June and July 2021. Of those, 68% experienced a loss of funding since the start of the pandemic, with only 8% having received any funding support from a government emergency relief fund in their country.

In the report, African CSOs acknowledge that the sector needs to be better organised, encourage collaboration and build more robust networks and platforms.



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## 2. Managing risk

The pandemic has been a timely reminder of the importance of risk assessment and management. NPOs operate in a constantly changing environment and along with new opportunities come new dangers.

We anticipate greater focus on regulatory compliance among well-governed NPOs. This also helps an organisation stay on top of issues that could derail intended outcomes and in the process inspires confidence among funders, in turn, contributing to attracting resources.

## 3. Virtual training

Organisations involved in capacity building and training have realised both the benefits and limitations of online learning. Virtual learning means training need no longer be location-bound, and it is more accessible as transport, accommodation and event locations are no longer included in budgets.

However, there are limits to online education. To be effective, it requires an understanding of how learning occurs. Non-profits involved in knowledge production and sharing will need to ensure that they actively engage with clients on their learning preferences and that pedagogy and curricula are designed and adapted to online and contact learning platforms.

## 4. Community philanthropy

South Africa has a widespread tradition of community or horizontal philanthropy where under-resourced people help others who also face tough conditions. In the wake of the pandemic, we have seen initiatives such as the Community Action Networks (CANs) in Cape Town, which are self-organising, neighbourhood-based hubs.

These started as a rapid response to the pandemic and now form a broad network of some 170 community action groups. We could see more formalisation, registration and focus on governance issues by such organisations, while others will wish to remain fluid and focused on grassroots.

At the start of the pandemic, there were links between more affluent and under-resourced neighbourhoods, such as the Gugulethu-Seaboard alliance. Such collaborations appear to be declining, possibly because donors are under more economic pressure or possibly consider the need less urgent.



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## 5. Youth unemployment challenge

According to the Jobs Fund, two-thirds of the 1,2 million young people entering the labour market annually remain outside of employment, education and training. The Presidential Youth Employment initiative has introduced the National Youth Service, whereby young people would work at non-profits, earn and increase their employability, while the community service undertaken would enhance service delivery.

This had a short funding window and many NPOs were not geared for participation, but nonetheless, it highlights the potential for NPOs to play a role in addressing youth unemployment.

## 6. Mental health

Staff wellness has emerged as a critical issue confronting many NPOs. The sector is known for not being able to afford to replace staff members who are laid off, with more job responsibilities heaped on those who remain.

Inyathelo has been encouraging NPOs to build nurturing environments if they are to achieve long-term success and resilience. Staff need to have a sense of inclusion and being part of a team, where they feel they can grow and develop.

## 7. Climate change

The COP26 global climate summit was a stark reminder that climate change is a reality confronting all humanity. There is a need to educate non-profits about the impact of climate change in order for them to make informed decisions and enhance their role as knowledge brokers in the communities they serve.

It is also likely that NPOs dedicated to environmental causes will collaborate with other NPOs that have to date not been involved in education on this topic. African NPOs are particularly relevant as Egypt hosts the 27th climate summit, so African NPOs should plan on how to contribute and make an impact.



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## 8. Diversity, equity and inclusion

The field of diversity, equity and inclusion continues to evolve. The Covid-19 pandemic has exacerbated poverty and inequality, and the position of marginalised communities has worsened.

There is a growing and pressing need for organisations to incorporate tools such as the Global Diversity, Equity and Inclusion Benchmarks in organisational assessment practices. This is considered good governance and boards of NPOs will need to assess their performance in this area.

## 9. NPO Amendment Bill

The Non-Profit Organisations Act was passed in 1997, creating the NPO Directorate in the Department of Social Development and establishing an enabling environment for non-profits.

Civil society has been quick to react to proposed legal changes such as compulsory registration of foreign organisations operating in the country. This legislation is likely to be in the spotlight in 2022 as non-profits and the DSD engage on proposed changes.

# Trends relating to NPOs operating in the education sector

## 1. Slipping school standards

Non-profits working in the education sector face formidable challenges as many learners have not been able to progress and prepare for 2022. This cohort ideally supplies the skills needed in service and industry, yet maths and literacy standards, already of deep concern, are likely to deteriorate further.

Education non-profits will face many more demands to assist children. The National Association of Social Change Entities in Education (NASCEE), an association of education NPOs, may play a stronger role in maximising the contribution of NPOs towards the national development goals related to education. The state of the basic education system and the partnerships required for addressing the crises requires urgent attention by all stakeholders.

## 2. Access to higher learning

The issue of university access by students from low income backgrounds remains a huge problem. The pandemic has led to extensive job losses among poor families and the National Student Financial Aid Scheme faces challenges and inefficiencies. In addition, while some well-resourced universities have been better prepared with established online learning platforms, there are many historically disadvantaged universities facing major stumbling blocks.



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## 3. Third stream income

The need for funding described above will lead to greater focus on third stream income. Third stream funding is derived from sources other than public subsidies, tuition and student fees. Examples include foundations, trusts, individuals and the private sector. Universities South Africa (USAf) has already set up a community of practice of Advancement directors, to help institutions unlock third stream income through the development of Advancement capabilities.

Advancement is a systematic, integrated approach to building and managing relationships and engaging with the external environment, in order to increase an institution's support from its key outside constituents.

## 4. Cross-continental knowledge transfer

The USSA Higher Education Network is working towards developing partnerships and exchange of ideas between universities in the USA and South Africa. We could also see greater international collaboration for advancement practices in universities via the Council for Advancement and Support of Education (CASE), based in the USA.

## 5. Sector training

Following years of planning and collaboration by Inyathelo, a postgraduate diploma in management in the field of African philanthropy and resource mobilisation is now offered by The Centre on African Philanthropy and Social Investment at Wits Business School. This is the first academic qualification of its kind in Africa. The focus will now be on raising funding for scholarships, and other initiatives to make professional training more affordable.

In conclusion, we can expect another challenging 12 months, during which the non-profit and civil society sector will provide services essential for socio-economic stability. It is our hope that there will be greater recognition of and support for the nonprofit organisations and their dedicated staff who contribute so much, despite limited resources.

## **References:**

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