The construction and operationalisation of NGO accountability: Directing Dutch governmentally funded NGOs towards quality improvement

Boomsma, R.S.

Citation for published version (APA):
Boomsma, R. S. (2013). The construction and operationalisation of NGO accountability: Directing Dutch governmentally funded NGOs towards quality improvement.

General rights
It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations
If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: https://uba.uva.nl/en/contact, or a letter to: Library of the University of Amsterdam, Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.
CHAPTER 1: INTRODUCTION

Accountability is one of the most important issues in the political and public debate on international [development] cooperation. The necessity of accountability over the use of public and private resources is not in dispute. […] The manner in which accountability is taking place is however disputable. (Stuurgroep beleidsdialoog, 2008, p. 5)

1.1 Introduction

Dutch governmental funding of private development non-governmental organisations (NGOs) dates back to 1965, when the Dutch Ministry of Foreign Affairs made funding available for private development initiatives in so-called developing countries. This governmental funding scheme, referred to as the co-financing program1 (or scheme), initially provided funding to three Dutch development NGOs: Oxfam Novib2, Cordaid3 and ICCO. Nowadays the co-financing scheme is open to all Dutch development NGOs. As in other international contexts, the relationship between the Dutch government and governmentally funded development NGOs was initially based on high levels of trust which resulted in a reluctance to scrutinise their work (Adil, 1996; Unerman et al., 2007; Lloyd, 2005). However, in the evolution of the Dutch co-financing scheme from the 1960s to the present day, accountability has become a central feature of debates about Dutch development activities and the role of NGOs therein (Stuurgroep beleidsdialoog, 2008). This is reflective of prior academic work on NGO accountability, which argues that developments such as increased levels of funding (Edwards and Fowler, 2002) and NGO involvement in highly publicised scandals (Jepson, 2005) have resulted in a more sceptical stance towards NGOs and their work amongst politicians and the general public (O’Dwyer, 2007; Doh and Teegen, 2002; Edwards and Hulme, 1996; Fisher, 1997; Vakil, 1997; Christensen and Ebrahim, 2006; Ebrahim, 2005; Ebrahim, 2003b; Ebrahim, 2003a).

---

1 Please note that the term ‘program’ is used instead of ‘programme’ to refer to the co-financing scheme/program throughout the study. The term ‘programme’ is used as key concept in the theoretical framework (see section 1.3). This distinction between ‘program’ and ‘programme’ is helpful for the purposes of clarity throughout the written document.
2 Oxfam Novib was initially named Novib.
3 Cordaid was at this point in time named CMC.
In response to increased international scrutiny emerging in the 1990s, NGOs have started thinking carefully about their accountability to a range of constituencies. Scholars seeking to trace and theorise trends in NGO accountability have empirically examined the emergence and impact of various accountability mechanisms (Dempsey, 2007; Dixon et al., 2006; Goddard and Assad, 2006; Kilby, 2006; O’Dwyer and Unerman, 2007; Ossewaarde et al., 2008; O’Dwyer and Unerman, 2008) as well as considering the extent to which NGOs should be held accountable for their actions (Unerman and O’Dwyer, 2006b). Within development NGOs, dealing with this increased attention to accountability has often been found to be complex due to competing demands from multiple constituencies such as donors, local partner NGOs in developing countries (known as counterparts), beneficiaries, and staff (Dixon et al., 2006; Ebrahim, 2009). Despite increased attention being paid to issues of NGO accountability in the academic literature, there has been: 1. relatively little in-depth consideration of how and why current NGO accountability practices have evolved over time and, 2. limited attention afforded to the effect of increasingly stringent and demanding NGO accountability requirements on the ability of NGOs to work towards their organisational missions (but see, O’Dwyer and Unerman, 2008). This study addresses both of these issues.

1.2 Research questions and objectives

The aims of this study are to enhance and deepen our understanding of: 1. the conceptualisation of accountability in the relationship between the Dutch Ministry of Foreign Affairs and Dutch development NGOs and, 2. the operationalisation of proposed accountability solutions on a practical level within governmentally funded Dutch development NGOs. The study seeks to construct what Foucault (1976) refers to as a ‘genealogy’ of NGO accountability, by building a chronology analysing the emergence and evolution of NGO accountability within the Dutch co-financing scheme for private development organisations. This genealogy draws mainly on governmental documents supplemented with external reports and is interpreted using a theoretical framework drawing on Miller and Rose’s (1990; Rose and Miller, 1992) interpretation of Foucault’s concept of governmentality (outlined in the next section (1.3)). Additionally, this study conducts an in-depth examination of how NGO managers perceived the operationalisation of accountability mechanisms (referred to as ‘accountability technologies’) introduced in the most recent Dutch governmental funding scheme. This aims to assess whether and, if so, how
governmental accountability requirements have influenced NGO operations. Based on these aims, the study seeks to answer the following two research questions:

1. How has accountability been constructed in the relationship between Dutch development NGOs and their primary governmental funder over the period from the mid-1960s to 2012?

2. How do NGO managers perceive the operationalisation of accountability technologies in the current Dutch governmental funding scheme for NGOs?

### 1.3 Theory

The theoretical framework mobilised in this study draws on the concept of governmentality (Foucault, 1979; Miller and Rose, 1990; Rose and Miller, 1992); a broad concept used to outline a means of analysing contemporary political power. Governmentality refers to any calculated activity employed by authorities or agencies that seeks to shape human behaviour or conduct in order to achieve certain ends (Boyce and Davids, 2004; Dean, 2010). This study specifically draws on the interpretation of governmentality by Miller and Rose (2008a; 1990) and Rose and Miller (1992) which has had a significant influence on the interdisciplinary accounting and accountability literature (see, for example, Miller and O’Leary, 1993; Miller and Napier, 1993; Radcliffe, 1998, 1999; Neu, 2000a, 2000b; Crawford, 2010).

Miller and Rose (1990; Rose and Miller, 1992) set out an approach to the analysis of political power in terms of ‘problematics of government’ or ‘problematisations’. This involves examining how problematic conduct is revealed and subsequently made thinkable through discourse to make it possible to intervene and address the problematic conduct (Miller and Rose, 1990; Rose and Miller, 1992; Miller and Rose, 2008). Within a problematisation process something in current conduct is considered problematic if the behaviour and actions of individuals or organisations appears to require a change. Miller and Rose (1990; Rose and

---

4 The notion of problematisation was not explicitly at the centre of Foucault’s work, but it was brought forward by later work on governmentality drawing on Foucault’s writings and seminars (Radcliffe, 1995; Radcliffe, 1998; Castel, 1991). While Foucault did refer to problematisation indirectly in ‘A History of the Present’ (Foucault, 1976), the notion was made more explicit by Miller and Rose (Miller and Rose, 2008a).
Miller, 1992) argue that problems do not merely represent themselves in thought, they have to be agreed upon, framed and made amenable to intervention; in short, problems have to be made thinkable (and visible) in such a way as to be practicable or operable. The problematisation of conduct is a recurring feature in political debate, whereby practice is compared with underlying assumptions and individuals or groups find practice wanting (Rose and Miller, 1992; Radcliffe, 1995). In order to analyse problematisations, Miller and Rose (1990; Rose and Miller, 1992) teased out three distinct but interrelated dimensions of a problematisation process: rationalities of government (the ideals to which government should be directed); programmes of government (the programmatic approaches aimed at configuring behaviour in ways aimed at achieving the ideals embedded in rationalities); and technologies of government (the practical mechanisms used to operationalise the aims embedded in programmes) (see Figure 1.1).

**Figure 1.1: Overview of the problematisation process**

<table>
<thead>
<tr>
<th>DIMENSION</th>
<th>SHORT DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>RATIONALITIES</td>
<td>Making problems thinkable</td>
</tr>
<tr>
<td>PROGRAMMES</td>
<td>Making problems amenable for intervention</td>
</tr>
<tr>
<td>TECHNOLOGIES</td>
<td>Intervention aimed at addressing problems</td>
</tr>
</tbody>
</table>

Rationales of government represent styles of thinking, ways of rendering reality thinkable to make it calculable and programmable. Rationalities deal with general ideals and in order to become more specific, they are matched with programmes of government. Programmes of government describe in detail how rationalities might be accomplished, i.e. programmes provide the intellectual machinery that facilitate the implementation of abstract political rationalities or idealised representations of the world in practice (Miller and Rose, 1990). Programmatic approaches are embodied in reports, proposals, plans and legislation and encompass the ideals of experts, specialists, individuals, committees and other organisations.
They set out frameworks for action (Radcliffe, 1998). Technologies of government are used in order to describe the effort to match rationalities and programmes with action. Technologies are therefore the more practical part of everyday practice. Examples include features of organisational practice such as forms of notation, computation and calculation, systems of data storage and analysis, and methods of standardisation and verification (Miller and Rose, 1990; Rose and Miller, 1992; Radcliffe, 1998; Radcliffe, 1999). These three dimensions of governmentality are mobilised in this study as they facilitate the uncovering of the underlying ideals driving NGO accountability (rationalities), shifts in approaches to NGO accountability (programmes), and the operationalisation of NGO accountability mechanisms (technologies).

1.4 Research methods

The study adopts a qualitative methodological approach and mobilises qualitative research methods in order to investigate the (shifting) objectives and approaches to accountability and the NGO managers’ perspectives of the operationalisation of accountability technologies. First, this involved a longitudinal content analysis of 283 (mainly) governmental documents in order to construct a chronology of the emergence and evolution of accountability within the governmental co-financing scheme. Second, this encompassed an analysis of 22 semi-structured in-depth interviews with 16 NGO managers in four NGOs receiving governmental funding through the co-financing scheme (these are referred to as ‘co-financing NGOs’ throughout the remainder of the study) and two governmental officials. Some managers were interviewed multiple times due to their key role in developing the accountability approach of their organisation. The analysis of the documentary data aimed to produce a rich insight into the shifts in approaches to accountability in the co-financing scheme that have occurred over time, while the analysis of the interview material seeks to provide a rich and context-specific understanding of the operationalisation of the most recent governmental accountability requirements within NGOs.

A qualitative approach was adopted given the focus of the study on ‘how’ (and (implicitly) ‘why’) questions within processes emerging in a ‘real life’ context (Silverman, 2000; Flick, 2006; Patton, 2002; Denzin and Lincoln, 1994; Morgan and Smircich, 1980; Given, 2008). This approach is particularly motivated by the specific focus of the study on the
conceptualisation of accountability in (political) discourse over an extended time period and on NGO managers’ perceptions of the operationalisation of accountability within their own NGOs.

While there are currently a range of co-financing NGOs, the core focus in this study is on the so-called ‘traditional’ co-financing NGOs who have, with one exception, been participating in the co-financing program since its inception. This is because these organisations still receive about 75 per cent of the budget available for the co-financing program and represent the largest Dutch governmentally funded development NGOs. This choice of NGOs also facilitates linking aspects of the analysis of NGO managers’ perceptions to the ‘genealogy’ of accountability. This linkage is further facilitated as the four NGOs studied have been subject to the various changes in the approaches to accountability embedded in the history of the co-financing program.

1.5 Research contributions

Several contributions arise from this research. The first part of this section will discuss the proposed empirical contributions to the NGO accountability literature, while the second part will discuss the proposed theoretical contributions to the literature drawing on the concept of governmentality.

1.5.1 Empirical contributions to the NGO accountability field

First, few studies on NGO accountability have specifically focused on the broader political context in which accountability demands have arisen (Ebrahim, 2009). This study contributes by examining the construction of accountability in the relationship between NGOs and a governmental funder over an extended period of time, thereby providing a more in-depth understanding of shifts in an NGO-funder accountability relationship and the extent to which NGOs feel influenced by accountability requirements introduced by (governmental) funders. This focus specifically addresses calls in the accounting literature for research of this nature (O’Dwyer and Unerman, 2007).
Second, few studies have focused on better understanding the effects of proposed accountability solutions on the behaviour of NGOs (Ebrahim, 2009). This research makes an empirical contribution by investigating NGO managers’ perceptions of introduced accountability approaches and the perceived effect of more inflexible accountability requirements on the vision and mission of their organisations. In doing so, it addresses calls for empirical scrutiny of ‘supposed accountability solutions’ (Ebrahim, 2009, p.900) in order to better understand the effects of various approaches to accountability on the behaviour of NGOs and the extent to which increased demands for NGO accountability have ‘actually led to better accountability’ (Ebrahim, 2009, p. 900, emphasis added).

Third, this study examines a specific context in which NGOs became increasingly dependent on demonstrating their ability to deliver (quantitatively) measurable results in an effective and efficient manner in order to maintain funding and secure their existence. It demonstrates how NGOs managed the potential conflict between securing governmental funding and working towards their organisational missions by trying to influence governmental accountability requirements or adapting them into organisational approaches to accountability considered to be more in line with their organisational missions. This contributes to the NGO accountability literature, since it provides an enhanced understanding of the increasing necessity for NGOs to manage potential conflicts between accountability for values and mission and accountability aimed at maintaining (governmental) funding (Chenhall et al., 2010). It also provides a more in-depth insight into the relationship between the (perceived) benefits (such as increased control and efficiency) and costs (such as ‘misused’ funds and mission drift), of introduced accountability technologies (Rahaman et al., 2010).

1.5.2 Theoretical contributions to governmentality studies

In addition to the empirical contributions outlined above, this study also provides some theoretical contributions to the governmentality literature.

First, within the literature on governmentality, no prior work has specifically used a governmentality framing to analyse the emergence of NGO accountability over an extended time period. This study is unique in that it provides a ‘genealogy’ of NGO accountability by tracking the development of accountability in the relationship between the Dutch Ministry of
Foreign Affairs and Dutch development NGOs. In analysing the problematisation of NGO accountability over time, the study unveils the broader ideals underpinning the emergence of concerns for NGO accountability (rationalities of government), the more specific approaches to NGO accountability (programmes of government), and the implementation of NGO accountability mechanisms (accountability technologies) (see section 1.3). While prior studies in accounting have used a similar theoretical framing (Radcliffe, 1998; Radcliffe, 1999), the majority of these studies focus almost exclusively on the technological aspects of accounting by conceptualising and analysing accounting as a technology of government while rarely examining the rationalities and programmes underpinning these technologies in any depth (Rahaman et al., 2010; Dean and Graham, 2004; Neu and Heincke, 2004; Neu, 2000a; 2000b).

Second, this study also focuses on the enactment of accountability technologies within NGOs. This is important, since it has been argued that it makes no sense to study abstract rationalities, programmes and technologies (section 1.3) without analysing how technologies are operationalised in practice (Petersen, 2003; Garland, 1997). This study addresses this issue by examining how managers from different Dutch co-financing NGOs experienced increasingly inflexible accountability technologies introduced in the most recent Dutch co-financing scheme (MFS2). Additionally, it analyses the consequences of the operationalisation of apparent accountability solutions within the NGOs studied. The findings provide a better understanding of what Miller and Rose (1990; Rose and Miller, 1992) term the continuously failing nature of government, which implies that constructed programmatic aims (and technologies) are always confronted with alternative, better, ways to direct individuals and groups towards desirable ends. The findings demonstrate the difficulties of ‘programming’ the world by unveiling a discrepancy between the ideals of the Ministry of Foreign Affairs as translated in their preferred accountability technologies and the effects and outcomes of these technologies at the organisational level of NGOs.

Third, by examining how Dutch development NGOs adapted to and sometimes resisted attempts to govern them, this study addresses O’Malley et al.’s (1997) complaint that ‘necessary’ elements of resistance and criticism are often absent from studies of governmentality. The analysis of the operationalisation of accountability technologies within the NGOs studied demonstrates how they developed strategies to allow them to comply with accountability demands without significantly altering their activities and behaviour. The
findings thereby provide more insight into elements of resistance and criticism, an area which is largely underdeveloped in work examining governmentality.

This study also offers some practical insights for a wide range of (development) NGOs and their (governmental) funders. It provides them with a better understanding of the effects of accountability policies and shows that whilst ideals underlying accountability approaches can involve working towards more meaningful accountability, the translation of these ideals into increasingly narrow, functional and inflexible requirements can incentivise NGOs to seek to report short term and clearly demonstrable results. This approach may prevent NGOs from learning from their failures, and could thereby lead to less effective and efficient development cooperation.

1.6 Thesis structure

The structure of the following ten chapters is as follows:

Chapter 2 is structured into three sections. The first section provides an overview of the possible conceptualisations of accountability and discusses key definitions in the literature. The second section discusses the different forms of accountability identified in prior literature. These are grouped under forms of accountability with a focus on: resource use; values; and a combination of the two (hybrid forms). The third section conducts a review of key topics that have been addressed in research on NGO accountability. This is focused around four main themes: defining and classifying NGOs; motives for NGO accountability; complexities of NGO accountability; and the operationalisation of NGO accountability.

Chapter 3 presents the theoretical framework adopted in the study and is divided into two main sections. First, an introduction to the concept of governmentality is provided which discusses the origin of the concept and some key underlying assumptions. The second section focuses on the governmentality framework as interpreted and mobilised in this study (see section 1.3). This draws on the work of Miller and Rose (1990; Rose and Miller, 1992) and the interrelated analytical dimensions of rationalities, programmes and technologies of government which underpin the problematisation process central to the concept of
governmentality. The prior use of this framework is illustrated by discussing studies of accounting and accountability which have mobilised key elements of the framework.

Chapter 4 discusses the research methodology and methods adopted in the study (see section 1.4) and is structured in three sections. The first section discusses the ontological and epistemological assumptions that underlie quantitative and qualitative research methodologies and explains how and why a qualitative research methodology was adopted in this study. The second section discusses the role of theory in qualitative research and outlines the two qualitative research methods - interviews and documentary analysis - adopted in this study. The third section focuses on the background to the research conducted, the research questions, and the process of collecting, displaying and interpreting the data gathered.

Chapter 5 provides a brief overview of the case context and an introduction to the findings. It provides a brief introduction to development cooperation and the Dutch NGOs included in the study. It also provides an overview of the empirical findings chapters (chapters 6 to 9).

The empirical findings of the study aimed at answering the two research questions (section 1.2) are presented in chapters 6 to 9. The findings presented in chapters 6 to 8 seek to answer the first research question and are based on the extensive documentary analysis. The findings in chapter 9 aim to answer the second research question and are based on the in-depth interviews with NGO managers (see section 1.4). Chapter 6 firstly describes the emergence of the governmental co-financing program based on the assessment and approval of NGO project proposals in the mid-1960s. It then focuses on how and why insight into and control of co-financing NGOs was constructed as a specific problem that required resolution. The chapter subsequently reveals how quality improvement, underpinned by broad, underspecified notions of efficiency and effectiveness, emerged in the late 1960s as an underlying ideal (rationale) to which NGOs should be directed in order to address the perceived problem of insight and control. The initial (implicit) programmatic aims (embedded in programmes) and associated accountability technologies adopted in order to accomplish the quality improvement ideal are then discussed. Finally, the chapter unveils how more explicit programmatic aims and enhanced accountability technologies emerged as a result of shifting perceptions of development cooperation in the late 1970s.
Chapter 7 focuses on the evolution of the co-financing scheme from the early 1980s to the mid-1990s. It is structured into two sections. The first section focuses on how the emergence of concerns about too much concentration of development cooperation within the Dutch government and increasing anxiety about insight into and control of the co-financing NGOs led to a shift from financing individual NGO projects to financing overall NGO programmes (combinations of projects). This section also reveals how a revised programme of government and new accountability technologies emerged as a result of this shift. The second section analyses how increased public scrutiny of development cooperation in general and NGO activities in particular emerged in the 1990s and led to a (further) reorientation of the programmatic aims underlying the co-financing scheme which are shown to have had direct implications for the co-financing NGOs’ internal organisational structures.

Chapter 8 examines the evolution of the co-financing scheme from the late 1990s onwards and is divided into three sections. The first section discusses the changes evident in the shift to the so-called MFP-Breed (2002-2006) funding scheme which resulted from concerns about the ‘semi-monopoly’ position of the co-financing NGOs. In this co-financing scheme, two revised programmatic aims were articulated: competition for funding and improved accountability. The second section examines how these two programmatic aims were reconceptualised in the subsequent funding scheme, MFS1 (2007-2010), and were attached to accountability technologies emphasising the importance of monitoring and evaluation. The final section examines how the accountability technologies introduced in the MFS1 funding scheme were made much more stringent in the most recent funding scheme, MFS 2 (2011-2015).

Having discussed the construction of accountability over an extended period (the mid-1960s to 2012) in chapters 6 to 8, chapter 9 focuses on the in-depth interviews with NGO managers. It provides an in-depth analysis of the managers’ perceptions of the operationalisation of accountability technologies introduced in the most recent funding scheme, MSF2. The chapter is structured into three sections. The first section illustrates how the programmatic aims underpinning MSF2 were initially positively perceived by the managers. The second section unveils the problems posed for the co-financing NGOs by the accountability technologies mobilised to realise the programmatic aims. The third section reveals how three of the co-financing NGOs have separately addressed some of the key problems identified and
how they have strived to limit the impact these imposed accountability technologies have had on their internal operations.

Chapter 10 summarises the findings and discusses their empirical and theoretical implications. Chapter 11 concludes the study and revisits the proposed contributions in section 1.5 above before offering some suggestions for future research.